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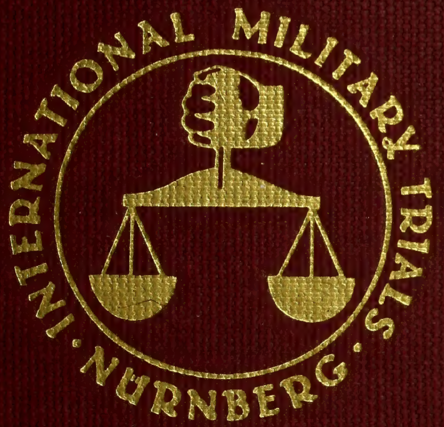

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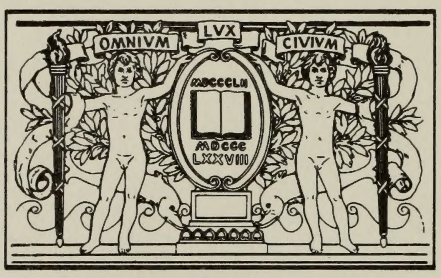
William A. Waldron

December 19, 1946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NAZI CONSPIRACY AND AGGRESSION

VOLUME VII

Office of United States
Chief of Counsel For Prosecution
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CONTENTS

Pages

Document number D–283 through document number D–786, arranged numerically 1–242

Document number EC–3 through document number EC–620, arranged numerically 242–609

Document number ECH-1 through document number ECH–24, arranged numerically 609–642

Document number ECR–14 through document number ECR–197, arranged numerically 642–752

Document number L–3 through document number L–361, arranged numerically 752–1114

Document number M–1 1115–1116

(A descriptive list of document appears at the end of the last volume.)

A Collection of Documentary Evidence and Guide Materials Prepared by the American and British Prosecuting Staffs for Presentation before the International Military Tribunal at Nurnberg, Germany, in the case of

THE UNITED STATES OF AMERICA, THE FRENCH REPUBLIC, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, and THE UNION OF SOVIET SOCIALIST REPUBLICS

— against —

HERMANN WILHELM GOERING, RUDOLF HESS, JOACHIM von RIBBENTROP, ROBERT LEY, WILHELM KEITEL, ERNST KALTENBRUNNER, ALFRED ROSENBERG, HANS FRANK, WILHELM FRICK, JULIUS STREICHER, WALTER FUNK, HJALMAR SCHACHT, GUSTAV KRUPP von BOHLEN und HALBACH, KARL DOENITZ, ERICH RAEDER, BALDUR von SCHIRACH, FRITZ SAUCKEL, ALFRED JODL, MARTIN BORMANN, FRANZ von PAPEN, ARTUR SEYSS-INQUART, ALBERT SPEER, CONSTANTIN von NEURATH, and HANS FRITZSCHE, Individually and as Members of Any of the Following Groups or Organizations to which They Respectively Belonged, Namely: DIE REICHSREGIERUNG (REICH CABINET); DAS KORPS DER POLITISCHEN LEITER DER NATIONALSOZIALISTISCHEN DEUTSCHEN ARBEITERPARTEI (LEADERSHIP CORPS OF THE NAZI PARTY); DIE SCHUTZSTAFFELN DER NATIONALSOZIALISTISCHEN DEUTSCHEN ARBEITERPARTEI (commonly known as the "SS") and including DIE SICHERHEITSDIENST (commonly known as the "SD"); DIE GEHEIME STAATSPOLIZEI (SECRET STATE POLICE, commonly known as the "GESTAPO"); DIE STURMABTEILUNGEN DER N.S.D.A.P. (commonly known as the "SA") and the GENERAL STAFF and HIGH COMMAND of the GERMAN ARMED FORCES all as defined in Appendix B of the Indictment,

Defendants.

TRANSLATION OF DOCUMENT D-283

Essen, 7 May 1943.

Krupp Hospitals.
Re:—Deaths of Eastern Workers.

54 Eastern Workers died in the hospital in Lazarettstr. of which 4 died through outside influence and 50 of illness.

The cause of death of these 50 Eastern workers is as follows:
Tuberculosis: 38 (2 women)
Undernourishment: 2
Stomach hemorrhage: 1
Disease of the intestines: 2
Typhus; 1 (female)
Pneumonia: 1.
Peritonitis: 1 (female)
Bad liver: 1
Abscess of the brain: 1

Summing up, it shows that 4/5 died of T.B. and under nourishment=80%.

TRANSLATION OF DOCUMENT D-287

COPY. (previous matters with F.K.)

Auf Dem Huegel, 30 Oct.1942.

Dear CHIEF ADMIRAL: (RAEDER) [handwritten]

The Germania Dockyards have put before us your two letters of the 20th of October, addressed to them. Your appreciative words which you directed at the management and personnel of the Dockyards, have filled my wife and myself with pride and happiness, and I am anxious to express our thanks to you. Together with our thanks we make to you the binding promise that from our part, as well as from that of the Essen main Plant everything will be done also in the future to enable the Germania Dockyards to do its utmost as up to now to fulfill the great tasks put before them.

The U-Boats will under your proven leadership, we are certain of it, make a full contribution to force a victorious Peace.

Heil Hitler!
Yours sincerely,
Turn: signed. KRUPP BOHLEN HALBACH.

Handwritten notation:
On account of the completion of the 75th Boat on the Dockyards.

Essen. 15 October 1945

SWORN STATEMENT

I, Dr. Wilhelm Jaeger, am a general practitioner in Essen, Germany, and its surroundings. I was born in Germany on 2 December 1888, and now live at Kettwig Sengenholz 6, Germany. I make the following statement of my own free will. I have not been threatened in any way and I have not been promised any sort of reward.

On the 1st of October 1942, I became senior camp doctor in Krupp's workers' camps, and was generally charged with the medical supervision of all of Krupp's workers camps in Essen. In the course of my duties it was my responsibility to report upon the sanitary and health conditions of the workers' camps to my superiors in the Krupp works. It was a part of my task to visit every Krupp camp which housed foreign civilian workers and I am therefore able to make this statement on the basis of my personal knowledge.

My first official act as senior camp doctor was to make a thorough inspection of the various camps. At that time, in October 1942, I found the following conditions:

The eastern workers and Poles who laboured in the Krupp works at Essen were kept at camps at Seumannstrasse, Spenlestrasse, Grieperstrasse, Heecstrasse, Germaniastrasse, Kapitan-Lehmannstrasse, Dechenschule, and Kramerplatz. (When the term eastern workers is hereinafter used, it is to be taken as including Poles). All of these camps were surrounded by barbed wire and were closely guarded.

Conditions in all of these camps were extremely bad. The camps were greatly overcrowded. In some camps there were twice as many people in a barrack as health conditions permitted. At Kramerplatz, the inhabitants slept in treble tiered bunks, and in the other camps they slept in double tiered bunks. The health authorities prescribed a *minimum* space between beds of 50 cm, but the bunks in these camps were separated by a *maximum* of 20-30 cm.

The diet prescribed for the eastern workers was altogether insufficient. They were given 1,000 calories a day less than the minimum prescribed for any German. Moreover, while German workers engaged in the heaviest work received 5,000 calories a day, the eastern workers in comparable jobs received only 2,000 calories. The eastern workers were given only 2 meals a day and their bread ration. One of these two meals consisted of a thin, watery soup. I had no assurance that the eastern workers, in fact, received the minimum which was prescribed. Subsequently, in 1943, when I undertook to inspect the food prepared by the cooks, I discovered a number of instances in which food was withheld from the workers.

The plan for food distribution called for a small quantity of meat per week. Only inferior meats, rejected by the veterinary such as horse meat or tuberculin infested was permitted for this purpose. This meat was usually cooked into a soup.

The clothing of the eastern workers was likewise completely inadequate. They worked and slept in the same clothing in which they had arrived from the east. Virtually all of them had no overcoats and were compelled, therefore, to use their blankets as coats in cold and rainy weather. In view of the shortage of shoes many workers were forced to go to work in their bare feet, even in the winter. Wooden shoes were given to some of the workers, but their quality was such as to give the workers sore feet. Many workers preferred to go to work in their bare feet rather than endure the suffering caused by the wooden shoes. Apart from the wooden shoes, no clothing of any kind was issued to the workers until the latter part of 1943, when a single blue suit was issued to some of them. To my knowledge, this represented the sole issue of clothing to the workers from the time of their arrival until the American forces entered Essen.

Sanitary conditions were exceedingly bad. At Kramerplatz, where approximately 1,200 eastern workers were crowded into the rooms of an old school, the sanitary conditions were atrocious in the extreme. Only 10 children's toilets were available for the 1,200 inhabitants. At Dechenschule, 15 children's toilets were available for the 400-500 eastern workers. Excretion contaminated the entire floors of these lavatories. There were also few facilities for washing. The supply of bandages, medicine, surgical instruments, and other medical supplies at these camps was likewise altogether insufficient. As a consequence, only the very worst cases were treated.

The percentage of eastern workers who were ill was twice as great as among the Germans. Tuberculosis was particularly widespread among the eastern workers. The T.B. rate among them was 4 times the normal rate (2% eastern workers, German .5%). At Dechenschule approximately 2½% of the workers suffered from open T.B. These were all active T.B. cases. The Tarters and Kirghis suffered most; as soon as they were overcome by this disease they collapsed like flies. The cause was bad housing, the poor quality and insufficient quantity of food, overwork, and insufficient rest.

These workers were likewise afflicted with spotted fever. Lice the carrier of the disease, together with countless fleas, bugs and other vermin tortured the inhabitants of these camps. As a result of the filthy conditions of the camps nearly all eastern workers were afflicted with skin disease. The shortage of food also caused many cases of Hunher-Odem, Nephritis and Shighakruse.

It was the general rule that workers were compelled to go to work unless a camp doctor had prescribed that they were unfit for work. At Seumannstrasse, Grieperstrasse, Germanistrasse, Kapitan-Lehmannstrasse, and Dechenschule, there was no daily sick call. At these camps, the doctors did not appear for two or three days. As a consequence, workers were forced to go to work despite illnesses.

I undertook to improve conditions as well as I could. I insisted upon the erection of some new barracks in order to relieve the overcrowded conditions of the camps. Despite this, the camps were still greatly overcrowded, but not as much as before. I tried to alleviate the poor sanitary conditions in Kramerplatz and Dechenschule by causing the installation of some emergency toilets, but the number was insufficient, and the situation was not materially altered.

With the onset of heavy air raids in March 1943, conditions in the camps greatly deteriorated. The problem of housing, feeding, and medical attention became more acute than ever. The workers lived in the ruins of their former barracks. Medical supplies which were used up, lost, or destroyed, were difficult to replace. At times, the water supply at the camps was completely shut off for periods of 8-14 days. We installed a few emergency toilets in the camps, but there were far too few of them to cope with the situation.

During the period immediately following the March 1943 raids many foreign workers were made to sleep at the Krupp factories in the same rooms in which they worked. The day workers slept there at nights, and the night workers slept there during the day despite the noise which constantly prevailed. I believe that this condition continued until the entrance of American troops into Essen.

As the pace of air raids was stepped up, conditions became progressively worse. On 28 July 1944, I reported to my superiors that:

> "The sick barrack in camp Rabenhorst is in such a bad condition one cannot speak of a sick barrack any more. The rain leaks through in every corner. The housing of ill is therefore impossible. The necessary labour for production is in danger because these persons who are ill cannot recover".

At the end of 1943, or the beginning of 1944,—I am not completely sure of the exact date—I obtained permission for the first time to visit the prisoner of war camps. My inspection revealed that conditions at these camps were worse than those I had found at the camps of the eastern workers in 1942. Medical supplies at such camps were virtually non-existent. In an effort to cure this intolerable situation, I contacted the Wehrmacht authorities whose duty it was to provide medical care for the prisoners of war. My persistent efforts came to nothing. After visiting and pressing them over a period of two weeks, I was given a total of 100 aspirin tablets for over 3,000 prisoners of war.

The French P.O.W. camp in Nogerratstrasse had been destroyed in an air raid attack and its inhabitants were kept for nearly half a year in dog kennels, urinals, and in old baking houses. The dog kennels were three feet high, nine feet long, and six feet wide. Five men slept in each of them. The prisoners had to crawl into these kennels on all fours. The camp contained no tables, chairs or cupboards. The supply of blankets was inadequate. There was no water in the camp. What treatment was extended was given in the open. Many of these conditions were reported to me in a report by Dr. Stinnesbeck dated 12 June 1944, in which he said:

> "315 prisoners are still accommodated in the camp. *170 of these are no longer in barracks* but in the tunnel in Grunertstrasse under the Essen-Mulheim railway line. This tunnel is damp and is *not suitable for continued accommodation of human beings.* The rest of the prisoners are accommodated in 10 different factories in Krupps works. The first medical attention is given by a French Military Doctor who takes great pains with his fellow country men. Sick people from Krupp factories must be brought to the sick parade. This parade is held in the lavatory of a burned out public house outside the camp. *The sleeping accommodation of the 4 French Orderlies is in what was the men's room.* In the sick bay there is a double tier wooden bed. In general, the treatment takes place in the open. In rainy weather it is held in the above mentioned small room. *These are insufferable conditions:* There are no chairs, tables, cupboards, *or water.* The keeping of a register of sick people is impossible. Bandages and medical supplies are very scarce, although badly hurt in the works are very often brought here for first aid and have to be bandaged here before being transported to hospital. There are many loud and *lively* complaints about *food* which the guard personnel confirms as being correct.

Illness and loss of man power must be reckoned with under these conditions.

In my report to my superiors at Krupps dated 2 Sep. 1944, I stated:

Camp Humboldstrasse has been inhabited by Italian prisoners of war. After it had been destroyed by an air raid, the Italians were removed and 600 Jewish females from Buchenwald Concentration Camp were brought in to work at the Krupp factories. Upon my first visit at Camp Humboldstrasse, I found these females suffering from open festering wounds and other diseases.

I was the first doctor they had seen for as least a fortnight. There were no doctors in attendance at the camp. There were no medical supplies in the camp. They had no shoes and went about in their bare feet. The sole clothing of each consisted of a sack with holes for their arms and head. Their hair was shorn. The camp was surrounded by barbed wire and closely guarded by SS guards.

The amount of food in the camp was extremely meagre and of very poor quality. The houses in which they lived consisted of the ruins of former barracks and they afforded no shelter against rain and other weather conditions. I reported to my superiors that the guards lived and slept outside their barracks as one could not enter them without being attacked by 10, 20 and up to 50 fleas. One camp doctor employed by me refused to enter the camp again after he had been bitten very badly. I visited this camp with a Mr. Grene on two occasions and both times we left the camp badly bitten. We had great difficulty in getting rid of the fleas and insects which had attacked us. As a result of this attack by insects of this camp, I got large boils on my arms and the rest of my body. I asked my superiors at the Krupp works to undertake the necessary steps to de-louse the camp so as to put an end to this unbearable, vermin-infested condition. Despite this report, I did not find any improvement in sanitary conditions at the camp on my second visit a fortnight later.

When foreign workers finally became too sick to work or were completely disabled they were returned to the Labour Exchange in Essen and from there, they were sent to a camp at Friedrichsfeld. Among persons who were returned over to the Labour Exchange were aggravated cases of tuberculosis, malaria, neurosis, cancer which could not be treated by operation, old age, and general feebleness. I know nothing about conditions at this camp because I have never visited it. I only know that it was a place to which workers who no longer of any use to Krupp were sent.

My colleagues and I reported all of the foregoing matters to

Mr. Ihn, Director of Friedrich Krupp A.G., Dr. Wiels, personal physician of Gustav Krupp von Bohlen und Halbach, Senior Camp Leader Kupke and at all times to the health department. Moreover, I know that these gentlemen personally visited the camps.

[signed] Dr. Wilhelm JAEGER.

PARTIAL TRANSLATION OF DOCUMENT D-291

SPEECH BY KRUPP ON 1 MAY 1936.

[Resume Pages 1–9]

[Preceding Krupp's speech, Beethoven's Fifth Symphony was heard, and Krupp uses the first 5 pages of his speech to explain to the audience the inner meaning of the music just heard—the victory of the light through darkness and evil. Krupp continues by thanking veterans of 25 years' work with the Krupp Works for the devotion and sense of duty, and then says:]

* * * * * * *

[Page 9]

No greater recognition, no greater incentive to further common work accomplishment could have been given us than was done through the visit of our Fuehrer on March 27th of this year to our works and through his addresses from here. From the Krupp works, which he designated not only as the smithy of war weapons, but also as the most powerful smithy of weapons of peace, he spoke to the workers of Germany and beyond to the workers of the world; in order to explain to them all the meaning of his policies directed toward the preservation and the safeguarding of the peace. Didn't these addresses furnish anew the proof of what I said before, that the character signifies the destiny of men?

Never has a statesman fought for the soul of his people and for its wellbeing with such faith, such ardor, such endurance. We shall never forget how deeply we are indebted to him. Today we are apt to be inclined to take for granted our new political, social and economical conditions. Conditions which, a few years ago, appeared to be an unattainable ideal. And still there are people who, pettily, pick on picayune things, who blame the forest when they stumble over a root, and who, so it would appear, actually look with a magnifying glass for the corners and edges against which they might knock themselves. Would it not be more fitting to see the great things which have been reached within the last years? I only mention here the abolition of the parties and the unification of the people, the regaining of the sovereignty in the Rhineland, the extensive abolition of unemployment, the accomplishments of the labour service, the magnificent public buildings, the roads, bridges and canals. To these accomplishments also belong the labour organization and the labour peace in our enterprises. Material aims are subdued by the new ideal concept of the work and its meaning. A new spirit fills all who participate in the production process.

* * * * * * *

[Resume Page 11]

[Krupp speaks about the happy faces he sees while going through the factory today, in comparison to the dark, grey days of former years. The spirit of the class struggle is gone, and all people are filled with the one idea of production.

Attentioning the strike of 1928 at the Krupp Works, he now is happy to see the work as a whole community. He then speaks about the necessity of following orders put out by superiors, he then continues:]

* * * * * * *

[Page 15]

More than ever we must today deploy and harness all the powers of national self assertion in order to exist in a world of mistrust and enmity. Just because, under the guidance of Adolf Hitler, our country has brilliantly lifted itself from impotency and suppression, we must be on our guard since, according to an old saying, Envy feeds on the Strong. Not that I am worried over our national future, on the contrary, it appears to me that our march into the new land of national future is placed under a sacred star. May the road often be rough and stony—today we know the direction; we have a Fuehrer in the word's most original meaning. To-be-led, in the case of a culturally high standing people, does not mean simply to trot after, but to take direction, to maintain position and thereby give the leader the strength for the responsibility.

What Adolf Hitler, the leader of our German destinies wants, the millions of people comrades marching behind him, want also, namely to safeguard for our people those original rights which no capable and proper nation can ever renounce and which can be put into the following formula:

Honour, Freedom, Peace.

We Germans of a new era shall never again relinquish these rights and the guarantees securing them. The world will have to get used to the fact that the voice of the Fuehrer is the voice of the whole German people.

As the Fuehrer has stated in his great announcement from our locomotive plant a few weeks ago and, as it has been confirmed to him in overwhelming manner through the election results of March 29th:

"Here speaks not one man, here speaks one people!"

Oh that the people of the world might hear and understand this man's voice, this man who with all the fibres of his heart wrestles for peace, externally and internally, the voice which proclaims the opinion of the whole German people; when all peoples understand this—and who but a predetermined antagonist can shut himself off from understanding, in view of the clarity, the single meaning and the pleading of this voice?—when the other peoples—as I just said—understand, then, finally the time of quarrel and discord among the peoples will come to an end, then the confidence in the relations of peoples among themselves will return and the longing for a true, honest peace will find fulfillment to the benefit of the whole humanity.

Jubileers and co-workers! We shall be thankful to fate that we were and are permitted to be eye and action witnesses of the great turning point in our German history, and we shall thank especially the divine destiny that it has presented us with a man like Adolf Hitler. Let us then combine all that which moves our hearts upon mention of this name into the cry: Our people and fatherland and its great Fuehrer Adolf Hitler

Sieg—Heil!

TRANSLATION OF DOCUMENT D-297

Fried. Krupp Boiler Construction 26 March 1942.
Essen.
To Mr. HUPE via Mr. WINTERS.
Re: Employment of Russian Ps.W. and civilian workers.

Now that 6 weeks have passed since Russian Ps.W. have been employed in the Boiler Construction Shop, we can now form an opinion about their employment.

The Russian Ps.W. employed here are in a generally weak physical condition and can only partly be employed, on light fitting jobs, electric welding, and auxiliary jobs.

Ten to 12 of the 32 Russians here are absent daily on account of illness.

In March for instance, 7 appeared for work only for a few days, 14 are nearly always ill, or come here in such a condition that they are not capable of even the lightest work. Therefore only 18 of the 32 remained who could be used only for the lightest jobs.

The reason why the Russians are not capable of production is, in my opinion, that the food which they are given will never give them the strength for working which you hope for. The food one day, for instance, consisted of a watery soup with cabbage leaves and a few pieces of turnip. The punctual appearance of the food leaves a good deal to be desired too. This week for instance, the food arrived at 1400 hrs. one day, and 1315 hrs. another, so that the working time is cut by the long dinner break. Complaints about these unpunctual deliveries have been made more than once to Mr. Hahn of the Cooperative Store.

It can also be said about the employment of the Russian Ps.W., that it will mean a great disappointment for the works, in that much unpleasantness and increased work for the offices and works direction has been caused, but no increase in production has been achieved in the works.

It is well known in the departments concerned such as P.W. catering Dept. what the conditions are like at the moment and they have been asked more than once by the works management, as well as by Mr. Soehling personally, to have good food served punctually, all without success. The Arbeitsfront has pointed out to Mr. Soehling that it is definitely not his job to bother about food for the Russian Ps.W.

It is about time that either a change was made here, or the Russians incapable of light work be got rid of, since they only create extra costs for the works and in the coming warm season could bring diseases in.

About the 5 civilian Russian workers, it can be said that they too cannot do heavy work, partly on account of the aforementioned grounds.

The two boiler smiths by trade, can only be employed on the heavy boiler smith work for a few days, since their physical weakness does not allow any longer. The people employed as electric welders can be used.

Copy to Mr. WINTERS. Signed: THEILE.

TRANSLATION OF DOCUMENT D–298

Essen. 15 October. 1945.

I, Dr. Georg. Wolff make the following statement, to the best of my knowledge and ability under oath:—

My name is Dr. Georg. Wolff. My residence is in Essen, Auf dem Holleter 11. I am the head of the Economic Department of the firm of Fried Krupp.

The attached chart headed "Fried Krupp. Berthawerk Markstaedt/Breslau—Number of occupied foreigners, prisoners of war and concentration camp inmates," was prepared under my supervision on the basis of a declaration made by the administration department of the Berthawerks and delivered to Essen. I certify that the chart agrees with the original report from the Berthawerk.

Dr. Georg Wolff.

Albert D. Friar. Capt.
Court President.
Mil. Gov. Stamp.

FRIED. KRUPP BERTHAWERK

Markstaedt/Breslau

Number of occupied foreigners, prisoners of war and concentration camp inmates

	Foreigners	Prisoners of war	Concentration camp inmates
June 1st 1943	2 216	—	
July 1st 1943	1 849	—	
August 1st 1943	2 381	—	
September 1st 1943	2 527	—	
October 1st 1943	2 876	—	
November 1st 1943	2 773	338	
December 1st 1943	2 728	1 505	
January 1st 1944	3 041	868	
February 1st 1944	3 066	932	
March 1st 1944	2 908	1 209	914
April 1st 1944	—	—	—
May 1st 1944	—	—	—
June 1st 1944	3 139	1 105	1 801
July 1st 1944	3 380	1 095	2 150
August 1st 1944	3 208	1 055	2 593
September 1st 1944	3 358	1 012	3 372
October 1st 1944	4 196	140	3 572
November 1st 1944	4 368	130	3 640
December 1st 1944	4 306	119	3 772
January 1st 1945	4 427	121	4 080

[Signed] Albert D. Friar, Capt.
Court President

[Seal: Military Government Summary Court Essen 130 DET]

TRANSLATION OF DOCUMENT D–304

KRUPP SPEECH OF 13 OCTOBER 1938

My Fuehrer,

To be able to greet you at the Krupp Works, in our home, in the name of my wife and my own, as well as in the name of those close to me and also in that of the greater plant family, so shortly after the world-shaking events of the last weeks, is a great honour and a heart-felt joy to me.

Perhaps no plant and no home can feel more deeply and more gratefully than ours the changes in the last decades, none can be more proudly conscious to be allowed to participate in the mighty tasks set by you.

Before us stands now the basic and undeniable world-encircling success, in its total extent perhaps not fully grasped, which your faith and strong will, your nerves and your initiative have achieved.

May no German ever forget how deeply gratitude therefore puts us under obligation, how proud we may be to be recognized once more in the world as a free, equal, great German People.

With the thanks of my family, of our plants of our entire Ruhr District filled with the urge to work, I must express united gratitude, springing from a full warm heart, from the Sudeten District which is now a part of the German Reich.

Just during the fateful days that lie behind us, my second son, already called to the colours, has brought his wife home from the Sudetenland.

His wife is the daughter of the pioneer for Sudeten German interests, Medinger, if I am not mistaken known to you personally, who had devoted his life's strength to this task.

Medinger's widow declared to me with tears in her eyes, on the day of their daughter's wedding that now she has only one wish in her life, to look, my Fuehrer, into your eyes and shake your hand, or, as she expressed herself, to be permitted to kiss your hand, as a symbol of what together with her and her family, the now happily safe former Sudeten German millions feel for you, my Fuehrer, with gratitude, admiration and devotion.

We all think of ourselves as one with these Racial and Reich Comrades of the Sudetenland.

Hail to Thee, my Fuehrer.

TRANSLATION OF DOCUMENT D-305

Essen, 5th Oct 1945

SWORN STATEMENT

I the undersigned, Heinrich Buschhauer, residing in Essen-Frillendorf, Banschenhoehe 23, make the following statement voluntarily and on oath.

Re:—Werner Theile, c/- Koenning, 6 Mainzerstr. Mishandling of Russian P.W.

In September the first Russian P.W. came. At first over 100 men came and were employed in boiler making. When these came the Works Manager Theile said to me that I should take over the control of these Russians. He said to me, "Go to the stores, draw an axe-shaft and then go to the Bottroperstr. Camp ready to receive the Russians. Use the axe-shaft if anybody becomes awkward in any way." I did not do it and went without the axe-shaft. I admit that I hit Russians PW's. The Russians were very willing and attentive. The clothing of the Russians was very bad and torn. Their feet were wrapped in rags. The appearance of the people was bad, they were thin and pale. Their cheeks had fallen in completely. In spite of this, I was forced to ill-treat the people on the orders of works manager Theile. I have boxed the people's ears and beaten them with a 3/4 Rubber tube and a wooden stick. Once I had to take a Russian who had stolen a piece of bread, to the camp in Hafenstr. (The Russians would let themselves be beaten half dead for a piece of bread and not even murmur). A corporal received us there and took us into the camp. After a few minutes, the corporal came out of the cellar again and said, "He's confessed to the theft already. Down there, there is one who knows how to deal with the Russians better than you." He also said, "Down there, we have a Russian who is specially well fed, who is only there to beat the prisoners and he treats the fellows inhumanly." I saw the prisoner the next day. He was completely washed out and his body was covered in bruises. He showed me. I promised myself never to take another prisoner there, but preferably punish them myself. I have complained innumerable times to the Works Manager, Theile, that I could no longer take part in these beatings as the whole of the works personnel was so much against the ill-treatment of the Russians. The Russians were so hungry that they were never satisfied. The Russians' food consisted of a dirty watery soup in which were a few foul potatoes and a bit of cabbage. When the food containers were opened the whole works stank. Our people often held their noses whenever they came near the food containers. Once, each of them received 5 medium sized potatoes in their jackets, of which half were bad. The Russians were so hungry that they ate potatoes skin and all without removing the bad parts. I distributed the food generally. Nearly every week I made complaints to the works manager about the food and treatment of the Russians and said I could no longer carry on. He always explained to me that I must carry on. I showed him samples of the food with the bad pieces of potato. The more energetic I went against these people, the more the Works Manager liked it. I was the "whipping boy" for the whole of the works and had to drive and beat the Russians in order to get increased production from them. At times, I had up to two thousand foreigners under me. The Russians could not possibly work more than they did, because the food was too bad and too little. The Works management, however, wanted to get still higher performance from them. It often happened that the Russians, so utterly weakened, collapsed. At least 6 or 7 times I have had to take prisoners back to the camp on an electric trolley because they could not walk any more.

I can remember one occurrence perfectly. It was in Summer 1942. The Nazi Obmann (Works liaison officer) Rogge and I took a prisoner in to the bathroom. There I had to hold him whilst the Nazi Obmann beat him with a rubber tube all over. That lasted about 10 minutes. The grounds for this ill treatment was as follows. The Russian had stolen 3 slices of bread because he had had nothing to eat and was mad with hunger.

The conditions which I have described above, continued the whole of the years I was in the boiler making dept. On 20th Feb. 1943, I was transferred from the boiler making shop to Widia.

[signed] H. Buschhauer.
J.W.L. Rathborne, Major
Mil Gov Stamp. President

TRANSLATION OF DOCUMENT D–306

Essen, 11 October 1945.

SWORN STATEMENT.

I, the undersigned, August Kleinschmidt, residing in Essen, Curtiusstrasse 126, make the following statement voluntarily on oath:

At the end of 1942, and beginning of 1943, the first Eastern workers and Russian Ps.W. came to our works. I was master in the No. 3/4 Panzer Shop heat treatment department. I had 4 female Eastern workers under my command. From the very beginning I drove these Eastern workers to work. I admit that I caught hold of them at the back of the head and smacked their necks to make them work. In July 1944 I was present when Spettman beat a Russian woman with a rubber tube because she had a piece of white bread. Lewenkamp was put into No. 4 Panzer Shop by the firm Krupp to supervise the foreigners. He gave us instructions we had not to be frightened of hitting, kicking or doing other such brutal things. I can say that with a pure conscience that it was a pleasure for Lewenkamp, who controlled all the camps, to get Eastern workers into his hands and ill-treat them in a sadistic manner. In December 1944 it often happened that the women Eastern workers warmed themselves at the braziers which had been set up. If they stayed there too long, I drove them back to work with blows from my fist on their heads and shoulders. I know too, that Lewenkamp had a small room in the works to which he took the foreigners and ill-treated them. The Works Assistant Wellmann once made the remark: "If they won't work, bring them here and hit them in the neck!"

About the Russians food, I can say that it was not good. I have once been able to ascertain that it was a watery caper soup. The girls clothing was insufficient for the winter, and for that reason they stood against the fire to protect themselves a little from the cold.

Once, a girl who was pregnant, came to me and complained that she had been beaten by the Guard Schoenfeld. She was away from work for 8 days and as she told me later, she had been in bed the whole time because her whole body was covered with bruises.

I can remember one case when Professor Houdremont visited us in the works and saw the miserable condition in which the girls were and what heavy work they had to do. 2 female Eastern workers were employed in attaching chains to the body work of Tiger Tanks.

[Signed] AUGUST KLEINSCHMIDT
J. W. L. Rathbone Major.
Mil Gov President.
[Stamp]

TRANSLATION OF DOCUMENT D–310

Armoured Car Repair Shop

18 March 1942

Overseer Koelsch,

I got the food this evening after Mr. Balz telephoned, but I had quite a struggle with the people responsible in the camp before I got anything at all. They always told me that the people had already received the day's rations and there wasn't any more. What the gentlemen understand under a Day's ration is a complete puzzle to me. The food as a whole was a puzzle too, because they ladled me out the thinnest of any already watery soup. It was literally water with a handful of turnips and it looked as if it were washing up water.

Please tell Mr. Balz again definitely so that the matter is finally cleared up, that it cannot continue having people perish here at work. The people have to work for us here. Good, but care must be taken to see that they get at least the bare necessities. I have seen a few figures in the camp and a colder shudder actually ran up and down my spine. I met one there and he looked as though he'd got Barber's rash. It is not to be wondered at when they get no soap and filth cannot be removed by water alone. If this continues we shall all be contaminated. It is a pity when just at the moment the motto is increased production. Something must be done to keep the people capable of production otherwise we shall experience a great disaster in this respect, not only in production but also in the matter of health and what that means especially today, we all know.

It is my firm conviction that if the people are more or less satisfied the production which is continually being asked for will be attained, because after all, it is for us and our dearly beloved Germany.

Heil Hitler!

[signed] August Grollius 17.1.42

P. S. Please tell Karl Schaefer to put a ladle out for me in the evenings so that I can distribute the food better to the people.

TRANSLATION OF DOCUMENT D–312

Essen 11 October 1945.

SWORN STATEMENT

Re: Maltreatment of Foreign Workers in No. 2 Repair Shop.

I, the undersigned Karl Sehnbruch born 25.1.1886, residing in Essen - West, Duesseldorferstrasse 3 make the following voluntary statement on oath.

I have been employed for years in No. 2 Repair Shop, Fried. Krupp factory, and know the Works conditions perfectly. At the end of 1942, the first Russian PWs. came to No. 2 Repair Work Shop and were employed as labourers. In course of time further Russian P.Ws. and Eastern workers were put to work here. The number of Russians employed by us during the war varied between 60 and 100. All these Russian workers were badly clothed. Day in and day out they went around in their raggy clothing. They nearly all smelled so badly, owing to their being dirty and ungroomed that one could not stand it. I have never been able to ascertain whether the works management ever gave the Russians clean or additional clothing, although they had to work all weathers and then often shivered with the cold. On top of that, the food for the Russians was very bad and totally insufficient, and they had to perform heavy work on this food. I have often enough seen the food which the Russians received daily which was only a thin vegetable soup and I did not think it possible for a man to be able to exist on it for years without getting some sort of health trouble. Nothing was ever done on the part of the works direction to improve the food. It wasn't enough that these Russians worked under such unworthy and unfavourable conditions but at every opportunity they were punished by horrible physical ill-treatment. The Deputy Works Manager Greiff took part in these mishandlings. He thought nothing of hitting a Russian prisoner in the face with his hand. On another occasion Greiff hit an Eastern worker over the shoulder with an iron rod in such a manner that the man ran through the works crying. It was impossible for him to lift his arm and a few other P.Ws. had to do his work for him.

Repair fitter Peter Slamnik, stateless, was also well known throughout the works for his barbaric treatment of the Russians. In January 1945, Slamnik, who was an S.A. man, shot a Russian with his pistol in No. 2 Repair workshop yard.

Furthermore in November 1944 Slamnik attempted to hang a Russian who was supposed to have stolen a pair of shoes. The Russian had already been hoisted up and showed all the symptoms of choking when this bestial deed was stopped at the last moment. I have never been able to find out whether Slamnik was ever brought to justice by the works manager Engels, about this terrible murder, because Slamnik worked on quietly in the factory and showed no change in his manner. Since the entry of the American troops in April 1945, Slamnik has disappeared from the Factory.

[signed] KARL SEHNBRUCH
J. W. L. Rathbone, Major
Mil Gov. President.
Stamp

Essen, 13 October 1945.

SWORN STATEMENT.

I, the undersigned, Dr. Apolinary Gotowicki, a doctor in the Polish Army, was taken prisoner by the Germans on 3 Jan 1941 and remained as such until the entry of the Americans. I gave medical attention to the Russian, Polish and French P.Ws., who were forced to work in various places of Krupps factories. I personally visited the Russian P.W. camp in the Raumastrasse in Essen, which contained about 1800 men. There was a big hall in the camp which could house about 200 men comfortably in which 300 - 400 men were thrown together in such a catastrophic manner that no medical treatment was possible. The floor was cement and the paillasses on which the people slept were full of lice and bugs. Even on cold days, the room was never heated and it seemed to me as a doctor, unworthy of human beings that people should find themselves in such a position. It was impossible to keep the place clean because of the overcrowding of these men who had hardly room to move about normally. Every day, at least 10 people were brought to me whose bodies were covered with bruises on account of the continual beatings with rubber tubes, steel switches or sticks. The people were often writhing with agony and it was impossible for me to give them even a little medical aid. In spite of the fact that I protested, made complaints and was often interviewed, it was impossible for me to protect the people or see that they got a day off from work. It was difficult for me to watch how such suffering people could be dragged to do heavy work. I visited personally, and myself in danger, gentlemen of the Krupp Administration as well as gentlemen from the Krupp Directorate to try to get help. It was strictly forbidden as the camp was under the direction of the SS and Gestapo, and according to the well known directives, I had to keep silent, otherwise I could have been sent to a concentration camp. I have brought my own bread innumerable times to the camp in order to give it to the prisoners as far as it was possible, although bread was scarce enough for me. From the beginning in 1941 conditions did not get better but worse. The food consisted of a watery soup which was dirty and sandy and often the P.Ws. had to eat cabbage which was bad and stank. I could notice people daily who on account of hunger or ill-treatment, were slowly dying. Dead people often lay for 2 or 3 days on the paillasses until their bodies stank so badly that fellow prisoners took them outside and buried them somewhere. The dishes out of which they ate were also used as toilets because they were too tired or too weak from hunger to get up and go outside. At 3 o'clock, they were awakened. The same dishes were then used to wash in and later for eating out of. This manner was generally known. In spite of this it was impossible for me to get even elementary help or facilities, in order to get rid of these epidemics, illnesses or cases of starvation. There can be no mention of medical aid for the prisoners; I never received any medical supplies myself. In 1941, I alone had to look after these people from a medical point of view but it is quite understandable that it was impossible for me as, the only one, to look after all these people and apart from that, I had scarcely any medical supplies. I could not think what to do with a number of 1800 people who came to me daily, crying and complaining. I myself often collapsed daily and in spite of this I had to take everything upon myself and watch how people perished and died. A report was never made as to how the P.Ws. died. I have seen with my own eyes, the prisoners coming back from Krupps and how they collapsed on the march and had to be wheeled back on barrows or carried by their comrades. It was in such a manner that the people came back to the camp. The work which they had to perform was very heavy and dangerous and many cases happened where people had cut their fingers, hands or legs. These accidents were very serious and the people came to me and asked me for medical help. But it wasn't even possible for me to keep them from work for a day or two, although I had been to the Krupp directorate and for permission to do so. At the end of 1941, 2 people died daily and in 1942 the deaths increased to 3 - 4 per day. I was under Dr. May and I was often successful in getting him to come to the camp to see the terrible conditions and listen to the complaints, but it was not even possible for him to get medical aid from the Medical Department of the Wehrmacht or Krupps, or to get better conditions, treatment or food. I was a witness during a conversation with some Russian women who told me personally that they were employed in Krupps factory and that they were beaten daily in a most bestial manner. The food consisted of a watery soup which was dirty and unedible and its terrible smell could be noticed from a distance. The clothing was ragged and torn and on their feet they had rags and wooden shoes. Their treatment, as far as I could make out, was the same as that of the P.Ws. Beating was the order of the day. The conditions lasted for years, from the very beginning until the day the American troops entered. The people lived in great anxiety and it was dangerous for them to describe to anyone anywhere these conditions which reigned in their camps. The directions were such that they could have been murdered by anyone of the guards, the SS or Gestapo if they noticed it. It was possible for me as a doctor to talk to these people; they trusted me and knew that I as a Pole, would never betray them to anyone.

[signed] Dr. APOLINARY GOTOWICKI
residing Essen - Steele, Bochumerstr. 55.

TRANSLATION OF DOCUMENT D–316

14th.3.1942.
Machine Building Workshop 8
through Mr. KOCH

To:
Mr. HUPE
Re: Employment of Russians.

During the last few days we have established that the food for the Russians employed here is so miserable that the people are getting weaker from day to day.

Investigations showed that single Russians are not able to place a piece of metal for turning into position, for instance, because of lack of physical strength. The same conditions exist at all places of work, where Russians are employed.

If it can not be seen to, that the feeding is changed in such a way that a normal output can be demanded from these people, then the employment of these people, with the necessary expense connected thereto, has been in vain; I do not think it is worth while employing any more Russians, from whom I cannot expect any results in production, although they are sent to me as productive workers.

I expect that the same conditions prevail inside all the other works. It would only be right if you via the firm take steps to clear up this matter.

[signature illegible]

Speech written by KRUPP for the occasion of an invitation to the UNIVERSITY of BERLIN during JANUARY 1944, but not delivered.

"Thoughts about the Industrial Enterpriser"

[Resume of first 11 pages]

[Krupp goes into lengthy details about the human qualities and considerations that are required of leading men of Industry.

He points out the characteristics of leadership, and the necessity for sufficient industrial and financial background to fill a leading position.

From there Krupp leads to the idea of "being born for leadership", and affirms his belief in a dynasty of industrialists. This leads to a discussion about the merits of armament factories and armament "Kings" for one's own country, and finally Krupp continues:]

"Therefore, I don't see why this thought still flutters in many a head occasionally—that the production of war materials should be a sinister trade! No: war material is life-saving for one's own people and whoever works and performs in these spheres can be *proud* of it; here enterprise as a whole finds its highest justification of existence. This justification—I may inject this here—crystallized especially during that time of the "Interregnum", between 1919 and 1933, when Germany was lying-down disarmed. I have already often repeated orally as well as in writing, and today I also want to restate to this group that, according to the terms of the Dictate of Versailles Krupp had to destroy and demolish considerable quantities of machines and utensils of all kinds. It is the one great merit of the entire German war economy that it did not remain idle during those bad years, even though its activity could not be brought to light for obvious reasons. Through years of secret work, scientific and basic ground work was laid, in order to be ready again to work for the German Armed Forces at the appointed hour, without loss of time or experience. This required many and various things, this demanded also the introduction of specific products suited to maintain the skills of experienced engineers and war-workers—this tremendous fund of knowledge and experience; this required further the equipping and maintenance of scientific laboratories and research establishments etc. etc.

Just as once 100,000 men kept up the tradition of the old glorious Army so there also was—figuratively speaking—a 100,000 men army of business men who kept up the tradition of war industry. The circumstances caused by the military collapse were even more difficult considering the necessary changes in old war plants to peacetime production, which in itself caused untold difficulties in politically confused times. It was necessary for instance, to expand the Krupp Works into a structure capable of survival and competition, but, at the same moment they also had to be ready as war plants for future times.

Only through this secret activity of German enterprise, together with the experience gained meanwhile through production of peace time goods, was it possible, after 1933, to fall into step with the new tasks arrived at restoring Germany's military power (only through all that) could the entirely new and various problems, brought up by the Fuehrer's Four Years Plan for German enterprise, be mastered. It was necessary to exploit new raw materials, to explore and experiment, to invest capital in order to make German economy independent and strong; in short, to make it war worthy. On the basis of various remarks of outsiders, who are able to overlook the entire situation from a vantage point, I may well say that German enterprise proved itself here again, by tackling and solving the new problems with that energy, that—I might say: enthusiasm, with which it has always approached historical tasks.

In this connection I want to bring to attention something else, something which probably has hardly been considered in other circles so far: That is the fact, that the proven success of the Four-Years-Plan, the creation of new raw materials as substitutes for scarce ones, something which at the beginning showed only the quiet and modest degree of success we had hoped to achieve, (brought about) that not only were the well-known materials fully replaced in the customary field of usage, but that the new raw materials go many times far beyond their conception as substitutes for many uses—I am almost inclined to say: can be moulded fully as one wishes. That applies to artificial rubber, to synthetic gasoline and to various other similar things, and opens new vistas for the future which cannot be envisaged today.

After 1933, the German businessmen did not undertake such historical tasks of greatest range and scope only in organizational, technical and commercial respects.

The National-Socialist Revolution has hardly ever brought another profession face to face with such in many ways new—sometimes fortunately shockingly new—situations, as it has the enterpriser. Now he became the Fuehrer of his employees. It would of course be extremely unjust to claim that even before 1933 the enterprisers did not also have an understanding for this side of their profession leading and caring for people—for how could they otherwise have gained economic success in the long run? Particularly that is the pride of so many large enterprises, that they can look back to a rich and old social-political tradition, and yet, before 1933, it was made—God knows—many a time quite difficult for the enterpriser to act and show himself as the deeply responsibility-conscious leader of his business. This change since 1933 which occurred with almost elementary suddenness, concerning the conception about the spiritually founded partnership of interests between employer and employee. I am again making use of this old formula intentionally should be attributed to the singular genius of the Fuehrer and to his revolutionary movement, the Fuehrer who won through the power of his personality and his doctrines the whole of the German people to his expounded ideas of National Socialist ideology. It is clear that through them by appointing the enterpriser as Leader of his employees by law, a much wider and nicer, more promising field of activity than before was assigned to him, full with success especially concerning the human aspect—and I think I may state here, that the German enterprisers followed the new ways enthusiastically, that they made the great intentions of the Fuehrer their own by fair competition and conscious gratitude and became his faithful followers. How else could the tasks between 1933 and 1939 and especially those after 1939 have been overcome! Not by force, but only through good will—more so: only through devotion and enthusiasm could and can tasks of such world historical scope succeed."

[Resume: Krupp then lists the social achievements of National Socialism that were interrupted by the War and continues to speak about the team work of employer and employee under conditions of War.

Another paragraph speaks about the position of the enterpriser in public life, and then Krupp continues: Page 20]

"Into the *future*, I think, and this you probably felt too, due to my previous statements, the German enterpriser may look with full confidence. He will be even more necessary in the political, economic and social structure of our Greater German Reich after the War. I don't feel called upon to act as a prophet, but yet the grand vision of a *New Europe* floats happily before my eyes, and in this great space, which will then overflow with new economic, technical, transportation, commercial and financial problems of all kinds—in this New Europe one will not only need farmers, frontier-guard-peasants and tradesmen, state and private officials, but in all countries and provinces as well, daring enterprisers ready for decision. And again people will say as before, during my time in Peking in 1900: 'Germans to the Front!' The German enterpriser will have to be the model for the new type of European enterpriser—just as the German worker will determine the future type of the European expert worker."

TRANSLATION OF DOCUMENT D-318

Armoured Vehicle Shop

Essen 20 March 1942

To Mr. IHN. Main Administration Dept.

I am enclosing herewith a copy of a letter from our foreman August Grollius, who as SS Scharfuehrer supervises the Russian civilians working on the night shift.

The Deputy Works Manager Mr. Mustin, who also employs a number of such Russian workers and who is quite satisfied with their performance, went to the camp in Kramerplatz on my inducement and had a talk with Mr. Weiberg, the Camp Commandant. Mr. Hassel from the Works Police who was present at the time, butted in and declared that one should not believe what the people said. Also that one was dealing with Bolsheviks and they ought to have beatings substituted for food.

I am free from any false sentimentality. This is a matter concerning people who have been given to me to work, or anyway to the Armoured Vehicle Shop, and from whom I demand work. Already they have proved today that they can and will work. Every creature from whom I demand work must be fed and I have ascertained on my many journeys to various factories, as President of the Special Committee for Zgkw motor tractors, that the Russians are good workers, providing they get sufficient to eat.

1 Encl. Signed. DIWKELAKER.

[Written by hand in purple pencil.]

Mr. Ba [?] informs me that the food for 9 Russian civilians on night shift on 19/20th March was forgotten. Foreman Grollius therefore refused to bring these people to work. Thereupon they received their food.

D.

Essen, 12 October 1945

Sworn Statement.

I the undersigned, Adam Schmidt, employed as Betriebswart in the Essen-West Railway Station, and residing in Margarethenhoehe, Im Stillen Winkel 12, make the following statement voluntarily and on oath:

I have been employed by the Reichs Railway since 1918 and have been at Essen West Station since 1935. In the middle of 1941 the first workers arrived from Poland, Galicia and Polish Ukraine. They came to Essen in goods waggons in which potatoes, building materials and also cattle have been transported, were brought to perform work at Krupp. The trucks were jammed full with people. My personal view was that it was inhuman to transport people in such a manner. The people were squashed closely together and they had no room for free movement. The Krupp overseers laid special value on the speed the slave workers got in and out of the train. It was enraging to every decent German who had to watch this, to see how the people were beaten and kicked and generally maltreated in a brutal manner. In the very beginning as the first transports arrived, we could see how inhumanly these people were treated. Every waggon was so overfilled that it was incredible that such a number could be jammed into one waggon. I could see with my own eyes that sick people who could scarcely walk (they were most people with foot trouble, injured and also people with internal trouble) were taken to work. One could see that it was sometimes difficult for them to move themselves. The same can be said for the Eastern workers and P.Ws. who came to Essen in the middle of 1942.

The clothing of the P.Ws. and civilian workers was catastrophic in a few words it was humanly impossible. It was raggy and ripped and the foot wear was the same. In some cases they had to go to work with rags round their feet. Even in the worst weather and bitterest cold, I have never seen that any of the waggons were heated. One could see from the very beginning that their treatment on their arrival in Essen was very brutal, although at that time, there were no catastrophic conditions in Germany as there were at the end of 1944/45.

Later I had the opportunity of learning through conversation with the people, what food they received. The people concerned were those who travelled to work every day. Their food was solely a watery soup with a few capers and on this bad and insufficient food they had to perform the work laid down by Krupps the whole day. At the beginning of 1941, approximately three trains a day arrived at Essen West Station at about 6 or 7 a.m., loaded with about 500 people, who had been ordered to work for Krupp. In 1943/44 the first air attacks began and it often happened that the people stood about for hours in the cold waiting for their transports to arrive. Through this they often arrived back in camp 2 or 3 hours late, frozen through and in an ailing condition. [signed] ADAM SCHMIDT

TRANSLATION OF DOCUMENT D-325

Essen. 17 October 1945.

I, Johannes Schroeder make the following statement to the best of my knowledge and ability under oath:—

My name is Johannes Schroeder; my residence is Essen, Kunigundastrasse 6. I am a director of the firm of Krupp and head of the Financial Administration Department.

The table "Payments of Fried Krupp Cast Steel Works to the Party and Party Organizations to the Wehrmacht and Police", has been prepared under my supervision on the basis of books and records of the firm of Fried Krupp, Essen. I certify to its accuracy.

It contains all payments which Fried Krupp Cast Steel Works, Essen, made to the Winter Help Work, the Adolf Hitler Fund of German Industry the Party, Party Organization the Wehrmacht and the Police.

The gifts to the party and its organizations as well as to the Wehrmacht and Police were entered in one account from 1932/33 until 1937/39 the accounts were exhausted so that from then on, the gifts for the separate organizations could be entered separately. signed. Joh. Schroeder.

J.W.L. Rathborne, Major,
President.

[Mil. Gov. Stamp]

TRANSLATION OF DOCUMENT D-332

27 June 1935

N S D A P, Gualeitung,
ESSEN.

By order of Mr. KRUPP VON BOHLEN UND HALBACH
RM 100,000. —
were transmitted today to account Nr. 700 of the NSDAP, to District Treasurer Party Member WILHELM BEYER at the National Bank in ESSEN.

Heil Hitler!
(signed) JANSSEN.

TRANSLATION OF DOCUMENT D-335

Essen. 12 June 1944.

To Gau Camp Dr. JAEGER.

In the middle of May I took over the medical supervision of the P.W. Camp 1420 in the Noeggerathstrasse. The camp contains 644 French PWs.

During the air attack on 27 April of this year the camp was largely destroyed and at the moment conditions are intolerable.

315 Prisoners are still accommodated in the camp. *170 of these are no longer in barracks* but in the tunnel in Grunertstrasse under the Essen-Muelheim railway line. This tunnel is damp and is *not suitable for continued accommodation of human beings.* The rest of the prisoners are accommodated in 10 different factories in Krupp works.

The first medical attention is given by a French Military Doctor who takes great pains with his fellow country men. Sick people from Krupps factories must be brought to the sick parade. This parade is held in the lavatory of a burned out public house outside the camp. *The sleeping accommodation of the 4 French Orderlies is in what was the men's room.* In the sick bay there is a double tier wooden bed. In general, the treatment takes place in the open. In rainy weather it is held in the a/m small room. *Those are insufferable conditions!* There are no chairs, tables, cupboard *or water.* The keeping of a register of sick people is impossible. Bandages and medical supplies are very scarce although people badly hurt in the works are very often brought here for first aid and have to be bandaged here before being transported to hospital. There are many loud and *lively* complaints about *food* which the guards personnel confirm as being correct.

Illness and loss of manpower must be reckoned with under these circumstances.

The construction of barracks for the accommodation of the prisoners and the building of sick quarters for the proper treatment of the sick beings is vitally necessary.

Please take the necessary steps.

signed. STINNESBECK.

TRANSLATION OF DOCUMENT D-338

M.I. Room, Camp Administration.
28. Jul.44.

Special Medical Report.

The sick barrack in Camp Rabenhorst is in such a bad condition, one cannot speak of a sick barrack anymore. The rain leaks through in every corner. The housing of the ill is therefore impossible. The necessary labour for production is in danger because those persons who are ill cannot recover. The barrack must be roofed over, if possible, quickly, or the sick must be transferred to the various hospitals. This must be avoided owing to their being overburdened at the present.

(Signed) Dr. Jaeger.
Camp and Works Doctor.

Copies to K.V.D. Essen
Dr. Heinz, Mulheim-Ruhr.
Mr. Ihn.
Dr. Beusch.
Dr. Wiele.
Dr. Seynsche.
Mr. Kupke.

TRANSLATION OF DOCUMENT D-339

M.I. Room, Camp administration.
2 Sept. 1944. Dr. Jaelfz

Strictly confidential!
Special Medical Report!

The P.O.W. camp in the Noeggerathstrasse is in a frightful condition. The people live in ash bins, dog kennels, old baking ovens and in self made huts.

The food is barely sufficient. Krupp is responsible for housing and feeding. The supply of medicine and bandages is so extremely bad that proper medical treatment was not possible in many cases. This fact is detrimental to the P.W. camp. It is astonishing that the number of sick is not higher than it is and it moves between 9 and 10%. It is also understandable that there is not much pleasure in work, when conditions are such as are mentioned above. When complaints are made that many of the PW's are absent from work for one or two days it can be blamed on to the camp to a great extent for having insufficient organization.

I have ordered, with the consent of the Camp Doctor Dr. Stinnesbeck that from time to time the sick who need special medical treatment be gathered and brought to *one* special doctor on *one* day of the week with the exception, of course, of urgent cases. Eye, ear and dental treatment come into consideration. If it happens that people who should go to the special doctor hang around the camp for 4 or 5 days on account of lack of accompanying personnel, and the camp commandant declares he has not got the accompanying personnel, that is lack of organization and can no longer be offered as an excuse. In the meantime, in order to get some sort of arrangement the camp commandant has to provide guards on Thursday of each week. For the time being I shall supervise the measures personally each Friday. In our camp the measures taken for special medical treatment on a certain day have proved themselves very well.

signed. Dr. Jaeger.
Camp and Works Doctor.

Copies to:—Mr. Ihn
Dr. Beusch
Dr. Wiele
Mr. Kupke.

TRANSLATION OF DOCUMENT D–341

Essen, 17.10.45

I, Johannes Schroeder make the following declaration to the best of my knowledge and ability under oath.

My name is Johannes Schroeder, residing in Essen, Kunigundastr. 6. I am a director of the firm of Fried. Krupp and head of the Finance Dept.

The attached chart "Fried. Krupp Participation" has been prepared under my supervision on the basis of books and reports of the firm of Krupp. I certify to its accuracy.

The chart shows the declared values in the published balance sheets and the alterations in the participations account. The yellow shows the participation by Fried. Krupp in other companies on the dates given there. The blue gives the increase in participations as of the dates shown in the table. These values show the paper value and not the actual value of the participation or sales or acquisitions. On the 1st October 1942, on account of the change over of the firm of Fried. Krupp to a family company, the participations account was increased from RM 132.944.032.31 to RM 187.924.621.78. This increase in book value is not taken into consideration in the chart because it would have lead to a distortion of the picture. The figure for the 1st October 1943, does not contain the mentioned increase in book value; it only takes into account the increases = RM 50.224.707.30 and decreases = RM 216.537.56 which actually occurred in the business year. According to the books of Fried. Krupp the value of the participations on the 1st Oct. 1943 was RM 237.316.093.47. There are no definite figures available for the period after 1st Oct. 1943.

Signed. JOH. SCHROEDER
J. W. L. Rathbone, Major
President.

[Mil Gov Stamp]

Uns. A. No. *4159773*
Supreme Army HQ.
Commander in Chief
Reserve Army
Wa J Rue (Mun 2)
Az.: 7414 Wa J Rue (Mun 2/v b^2)
No.: 1463. 8. 42.
To the Member of the Board of the Firm Krupp Ltd. Coy. Essen.
Prof. Goerens.
Essen.

Berlin W 35, *27th August 1942.*
Tirpitzufer 72/76

Dear Professor,

May I come to you today with an urgent request. According to our estimate, there ought to be enough workers in your ignitor workshops to reach the demanded production figure. This especially, as the 105 Russians, demanded by your firm at the Conference of the special committee M 111 on the 24. 4. 42, were assigned to your works at the beginning of June re-letter from Wa J Rue (Mun 2). The Labour Exchange Dortmund was informed by Wa J Rue (Mun 2), that these workers were to be assigned solely for the production of ignitors.

Unfortunately I found out at the sitting of the special committee M 111 on the 26. 8. 42, that the firm of Krupp asks for another 55 workers, including 25 skilled labourers, without having a corresponding raise in the production figures. I cannot judge from here, what the reasons for this are.

To make headway in this matter, I'll try to put at your disposal the 55 workers demanded by your ignitor workshop, have to ask though, that exact arrangements are being made, so that the workers, sent to you for the ignitor workshop by the Supreme Army HQ., are really assigned by the workers assignment office to the ignitor workshop.

May I ask you to confirm the receipt of this letter. Thanking you in anticipation for your endeavours, I am with best greetings and Heil Hitler

Yours

ZIMMERMANN
(COLONEL)

14. 8. 42.
SECRET.

Memo of the Reiff about the conference in Berlin at the 14. 8. 42.
Those present.
from Wa J Rue WUG 2/Ia — Lt Colonel Karsberg
from F.K. — Reiff

Re—Employment.

At the conference about the preliminary work on anti tank barrels, we also spoke about the lack of workers.

I asked K. whether he could do something for us, and pointed out, that in my opinion, X our situation is more unfavorable than in other works, because we have less possibilities to help ourselves by internal equalization, other works for instance have serial and mass production, out of which they can still draw people, and in which they can employ inferior Russian workers. On the other hand we have to accomplish special and quality tasks exclusively.

Apart from that I am under the impression that the better Russian workers are first of all chosen for the works in Central and Eastern Germany. We really get the bad remainders only. Just now 600 Russians, consisting of 450 women and 150 juveniles, 14 years of age, arrived.

In my opinion it is unavoidably necessary, that those works which could employ comparatively useful Russians in mass production, should give them up slowly and exchange them for more inferior ones, so that better workers can be released for tasks requiring them.

I would be grateful, if the official weapon office would start taking action on their own which would appear much more objective and much more neutral than if we undertook such a course. K. understood my ideas at once, and stated that he had considered it on similar lines.

This question appeared to him as especially important as further calls-up of German workers could be counted on and as substitute Russian workers were to be employed exclusively. It is even intended to have foremen and part of the guard personnel from qualified Russian workers.

K. asked, that I send him a letter with the above mentioned ideas, which he can use as a proposal at the Ministry of Munitions and other authorities.

Signed: REIFF.

Speech by KRUPP on 18 Oct. 33 on the occasion of the first meeting of the "Committee for Industrial and Social Policy" of the REICH Association of German Industry.

[KRUPP as President of the Reich Association opens the meeting. After speeches by the Reich Minister of Labour and Reich Minister of Economics, Krupp reads the names of deceased members of the organization, and continues:]

These men were not permitted to work for the welfare of the Reich which had been finally reconstructed with honour. In this hour we remember with respect and gratitude those two million German men who fell for the defence of the Reich, in a struggle against overwhelming odds, as well as the fighters who gave their lives for the National Revolution. It is entirely due to their merit that *we* were privileged to experience the reconstruction of a united German Reich, the reawakening of a German Nation. What we inherit from them is our duty to buttress the re-won foundations of a united Nation, to fortify and to expand them. With sincere memory we feel ourselves bound also to those who had to sacrifice their lives as victims of labour, in the often dangerous performance of their tasks. To them we pledge ourselves to double our efforts to avoid accidents, and there, where human strength fails, at least to relieve the needs of their survivors.

Our thoughts wander from the victims of war, of National Revolution and of labour, to those whom a hard fate and the lack of judgment of the victors have robbed of the highest happiness a German knows. To be a citizen of the Reich. Just as the venerable supreme head of the German State, General Fieldmarshal von Hindenburg, the Fuehrer of the German People, Reich Chancellor Adolf Hitler and all those who are worthy of the German name, are only animated by the wish, to rebuild our Reich in peace, so are we united in the consciousness of the undeniable and timeless demands of our people, whose fulfilment the world cannot deny us, because we don't demand anything which we don't acknowledge to other people by godly or human rights.

* * * * * * *

[Resume: After thanking his deputies for their assistance in his task, Krupp continues:]

On the first of April of this year the National Revolution pulled the leading organization of the Industries into its orbit, encompassing and reshaping the entire political and private life. On the Sixth of April the Directorate of the Reich Association gave me the necessary extraordinary powers. Corresponding with the desires and plans which I had already cherished when I took the Office of President of the Reich Association of German Industry, I made known on the Third of May the Directives for the transformation and simplification of the Industrial Associations. In that connection I made it my goal to use the powers given me in order to:

1. Dovetail the *existing economic conditions* with *the politically necessary* in the field of organization of Industrial Associations.

2. To bring the new Organization into full agreement with the political goals of the Government of the Reich and at the same time to make it so rational and strong that, corresponding with the importance of Industry, it can be an *effective tool of Industrial Economy* within the framework of National, Social and economic reconstruction as a whole.

* * * * * * *

When, on the 22nd of May of this year, I requested the members of the Corporations of the Reich Association of German Industry to put their authority at my disposal, I have at the same time provided for *the formation of new committees in the particular fields of work.*

* * * * * * *

After all we have heard so far from Government sources, we may entertain the firm hope that the Reich Government will approach the reconstruction in such a way that in the new organization of Economy *private initiative* will be given its necessary position and that *the concept of the State* and *practical experience* will form the foundation for the proposed construction.

Our wish must be, not somehow to make a proving-ground of the great economic field of Industry, but to place it under a permanent, healthy and clear organization which does not depend on theories but on the *laws of life,* to connect it with the existing and approved order, sure of aim by avoiding shocks, under the *responsible leadership of a central office of the Reich Government,* an organization which shall be appointed to bring together as closely as possible the pulse beat of creative life to those offices of the Reich Government in whose hands must remain the final decision concerning Politics and Economy.

* * * * * * *

One or more might hold the opinion that this or that may have been done differently or better, but I, gentlemen, am and always was led by the fervent desire to so shape the organization of German Industry that, whatever form it may finally be given, it can always be fitted into the work of the Reich Government as a solid corner-stone demonstrating willingness and ability to perform.

To have united the *purposes of an entire Nation,* is the great historical achievement of the man in whose strong hands our President has placed the fate of our people. When Reich Chancellor and Fuehrer *Adolf Hitler* called the General Council of Economy together for the time on the 20th of September, I had the honour to thank him for the confidence which he had put in the men of the practical business world by calling them to the General Council. I pledged to him unrestrained support in his Government in its exceedingly difficult task from all branches and organizations of Economy.

I may repeat now what I said then: "The unshakeable faith of our Reich Chancellor and Fuehrer in the future of our people gives also to the men of business the courage and the strength to put everything in the reconstruction of a healthy National Economy in a strong National State under National Socialist leadership".

You too, gentlemen, if I am certain of your confidence, are bound to this pledge. It holds in itself, for all of us, the deeply felt obligation to be the *guarantors* for the unconditional execution of the Fuehrer's will in all links and branches of Industry. May the spirit of devotion to duty which inspires us always dominate this Committee's Conferences!

I ask you, gentlemen, to rise and to join me in the toast: To the venerable President of the German Reich, General Fieldmarshal von Hindenburg and the German People's Chancellor and Fuehrer, Adolf Hitler: "Sieg Heil"

TRANSLATION OF DOCUMENT D-354

ESSEN. 5th October 1945.

SWORN STATEMENT.

Re:—The ill treatment of Russian P's W. in the Sheet Metal Workshop.

We the undersigned,

Paul Lenz, born 1.10.1899, residing Essen West Moeserstrasse 15.

Wilhelm Sill, born 27.1.1904, Essen-Haarzopf, Humboldtstrasse 312.

Hermann Roskothen, born 2.1.1910, Essen-Haarzopf, Sonnenscheinweg 23.

Fritz Schink, born 21.11.1894, Essen, Gerberg 30.

Karl Fortkamp, born 26.2.1900, Essen-Borbeck, Moerenstrasse, 19, and

Wilhelm Piegeler, born 27.6.1905, residing in Herne, Steinmetzstrasse 8,

make the following statement on oath:—

We have worked for years in Krupp Sheet Metal Shop and know the work conditions well. In 1942, we received the first Russian P's W. 3 or 4 weeks after their arrival, ill treatment began. The Russians were beaten just because they were Russians and regarded as enemies. They were not treated like humans. They were forced into piece work. They had to do hammering, heat treatment and such like jobs which Germans refused. From the first to the last day, the camp Commandant was always complaining to the Works Manager Neumann about the ill treatment of the Russians; in spite of this, this maltreatment continued. The overseer Kramer in one case, hit a Russian over the head a few times with a wooden club because he was late on parade. I, the undersigned, Paul Lenz, took action against Kramer, for this. He complained to the Works Manager, Neumann and I was called to him. I pointed out to him that it was unsoldierly to treat a prisoner, who was unarmed, in such a manner; Neumann replied "When I see the lazy Russians and other foreigners, I would like to knock them all down!" Kramer was the most plausible man in the whole factory. The reason for Kramer's promotion was that he had done well in the maltreatment of prisoners.

The Russian P Ws had to do the hardest work in all the cold and wet weather in completely raggy clothing and with foot rags and wooden shoes on their feet. On top of that, their food was the very worst. They received about 1 Litre of watery soup once daily which could nowhere near satisfy these half starved Russians working on piece work. In spite of the fact that they carried out the work given to them to the best of their ability, they were illtreated on the least pretext.

A special lavatory was built for the Russians which a pig wouldn't have used. They daren't be seen in the lavatory for the Germans otherwise they would have been beaten.

The above is witnessed by the undersigned Lenz, Sill, Rosskothen and Schink.

All the undersigned witness the following:—

Works Manager Neumann informed us that he had been asked to form the so called "Spade" Club, in order to keep down any risings on the part of the foreign workers and to beat the workers in case of an uprising. The spades which were manufactured on Works Manager Neumann's orders were sharpened on both sides. Herewith an example.

signed.
PAUL LENZ
WILHELM SILL
J.W.L. RATHBORNE Major HERMANN ROSSKOTHEN
President. FRITZ SCHINK
KARL FORTKAMP
WILHELM PIEGELER.

[Mil. Gov. Stamp]

TRANSLATION OF DOCUMENT D–355

Essen 8. 10. 45.

SWORN STATEMENT

I, the undersigned

Walter Thoene, born 30.10.1890 and living at Wolfsburg Ganghofer Str 13 make the following statement voluntarily.

I admit that I punched and beat Hungarian Jewesses which I had to supervise in No. 3 Steel Moulding Shop. I did not do this of my own free will but was ordered to do so by my works manager Reif, who was a Party Member like I was. Almost every day this unscrupulous man held me to it in no mistakable manner to driving on these Jewesses and getting better performances from them. He also always emphasized that I should not be trivial in the choice of means and, if necessary, hit them like hitting a piece of cold iron. As soon as I saw that these women were standing near the ovens, I had to drive them back to their work. And this whilst the poor women were so badly protected against the cold, as they only had thin rags on their bodies. Most of these people had no stockings on in severe frosty weather. In winter their legs were frozen blue and had scabby chilblains as big as a half-crown. The women received no food all day. They were fed in the camp. I could not bear to see the sufferings of the women, later on, and was glad when I was transferred from the Steel Forming Shop to the Railway during the last days of February.

I ought to mention the work in which the Jewesses were engaged was much too heavy for women. For instance they had to knock down the remains of walls with sledge hammers which weighed 8 to 10 pounds, or they had to carry or clean stones the whole day. They also had to unload sheet metal from Railway

Wagons and carry it about 100 meters. Reif always inspected this work and made sure I kept an eye on the speed. If Reif hadn't always been standing behind me, I should definitely have treated the Jewesses better.

I ought to mention one case specially which happened in February 1945. I hit a woman with my clenched fist on the shoulder and she fell down. Reif who was standing about 6 meters away forced me to do it.

Signed: Walter THOENE

J.W.L Rathborne Major.
President.
[Mil Gov Stamp]

TRANSLATION OF DOCUMENT D-363

Speech by Krupp, 4 September 1939

Plant Comrades!

The Fuehrer has made his decision, not light-heartedly but in the consciousness of responsibility to his people, to the entire future of the German Nation—we have all heard that in his Reichstag speech last Friday.

Up to the last moment I had hoped that the world would not let this great historic moment pass by without securing a *real* peace for generations to come through a general revision of what happened at Versailles, which is already being recognized in all parts of the world as an injustice. It worked out differently.

A hard struggle, perhaps hardly appreciated to its fullest extent, lies before us. The entire German Nation must face this test of fire in unshakable unity, young or old, man or woman, everyone must and will do his duty at his post, do more than just what his duty demands and devote his *entire* strength to the task assigned to him. Therefore let us also, as Krupp Members, remain determined. May God protect our Fuehrer and our people!

TRANSLATION OF DOCUMENT D-366

Hammer works.

8-12-42

Fried. Krupp
Essen
To. Labour Supply "A"
via Mr. Schuermeyer.

The complaints from our foreign workers about insufficient food have increased lately. This is especially true in the cases of Schmemann Str, Seumann Str, Germania Str, and Kraemer Platz Camps, where the soup just handed out for the midday meal is extremely watery and lacking in fats. Also quite a number of the people say that the meal distributed after the shift is not the same as the works kitchen said it would be, i.e. potatoes, vegetables and meat.

We experienced a very forcible confirmation of these complaints the other day when we drew the food for the Eastern workers from the kitchen in Kraemerplatz. On 5.12.42 the midday meal contained unpeeled, whole potatoes which were not even properly cooked; on 7.12.42, there was soup on which cabbage leaves floated, the sight of which made me feel sick. In reply to our telephone call, the kitchen, Kraemerplatz, stated that all the kitchen apparatus was out of action. In spite of this, we do not understand why the kitchen was not in a position to help itself and beg to ask you to look into these evil conditions which we are complaining about, and above all, see that the kitchen machines are put in order.

Signed. HALLER

One Copy To Dr. GUMMERT.

TRANSLATION OF DOCUMENT D-367

Essen, 12.10.45.

SWORN STATEMENT.

I the undersigned Heinrich Frauenrath, Chief Secretary, Essen,-West Railway Station, declare the following voluntarily:

I have been in the service of the Reichs Railway since 1912 and since the 14.5.40., I worked as the regular representative in Essen-West Station.

The first Polish civilian workers arrived at Essen-West Railway Station at the end of 1940 and beginning of 1941. They were most pushed into goods wagons, about 50 or 60 of them to a wagon, so that it was impossible for anybody to move. It was scarcely imaginable how these people ever stood up to the long journey. There were women with small children and pregnant women in these transports and had been brought here in this manner from Galicia, the Ukraine and Poland. I never noticed that any welfare had been arranged for these people. They did not receive anything to eat or drink. Even in the bitterest cold, they never received a warm bite. Also I never saw any trained medical personnel on these transports although these poor creatures often arrived ill in Essen owing to this terrible journey.

When these people were unloaded here in Essen, they were made to hurry by blows and shouts. I, as the father of 4 children could hardly bear to watch this treatment and could only feel very sorry for the poor creatures.

About 3 trains a day went from our Station, loaded with Eastern workers being transported from their Camp in Voerde to the Krupp factory. These were also crammed in 50 or 60 to a wagon. There were 4 or 5 drivers to every train whose job it was to drive the people in and out of the trucks and this was done by blows and shouts. Every day there were sick and ailing people amongst the Eastern workers who, on account of either internal or external illnesses could not do these hardships. I should like to mention that these trucks were never heated in spite of the bitterest cold.

The first Russian prisoners arrived in Essen at the end of 1942, beginning of 1943. These, too, had to exist on the long journey from Russia pressed together in these unheated wagons and when they arrived at our station they received nothing to eat.

Recently 2 or 3 wagons were hung on to the usual passenger trains and in them were a large number of PWs and Eastern workers being transported to the de-lousing station. For these masses of people 4 or 5 goods wagons would hardly have sufficed in order to allow the people to travel with a bit of movement. The transport back from the de-lousing station took place in the same manner.

Signed: HEINRICH FRAUENRATH.

TRANSLATION OF DOCUMENT D-368

COPY

SA der NSDAP
Leader of the SA.
Chief of Staff.

Munich. 15 August 1934.
Barer Str. 11.
Tel. No. 54791.

I give full authority to Gauleiter Terboven to use the Industries' Gifts, the special part of this year's Hitler Fund, for regional purposes, in the interest of the SA in the Ruhr district, with the very special permission of the Deputy Fuehrer.

Chief of Staff,
LUTZE.

L.S.

TRANSLATION OF DOCUMENT D-373

GERMAN NATIONAL SOCIALIST LABOUR PARTY
DISTRICT ESSEN.

Essen, 24 June 1935.

Mr. KRUPP VON BOHLEN UND HALBACH, ESSEN-HUEGEL

closed J 27/VI
[notation in pencil]
To Mr. JANSSEN for further disposition.

Dear Mr. VON BOHLEN!

For your noble-minded gesture on the 10th anniversary of the founding of the German National Socialist Labour Party, District Essen, by placing 100,000 RM — at the disposal of my Deputy-Gauleiter, Party Member Unger, I express to you my sincerest thanks.

At the same time, I beg you to transfer this sum to the NSDAP Treasurer, Party Member Wilhelm Beyer, at the National Bank in Essen, to account No. 700.

Heil Hitler!
Your
signed TERBOVEN
GAULEITER.

[Rubber stamp]

TRANSLATION OF DOCUMENT D-375

Auf dem Huegel
24 July 1942.

My Fuehrer!

The big weapon, whose manufacturing is to be thanked to your command, has now proved its effectiveness. It remains a page of glory for the Krupp Works Community and was made possible through close co-operation between the Construction and Finishing Departments.

Krupp most thankfully realizes that only the confidence shown and proven to them by all agencies, particularly by you, my Fuehrer, has facilitated such a construction for its greater part during the war.

True to an example set by Alfred Krupp in 1870, my wife and myself ask the favour that the Krupp works refrain from charging for this first finished product.

To express my thanks to you, my Fuehrer, for the confidence shown in our plants and in us personally by entrusting such an order with us, is a pleasant duty for my wife and myself.

Sieg Heil!
Signed: Krupp Bohlen Halbach

[Handwritten in the lower left corner]
To be presented by Alfried in person.

Essen. 4 October 1945.

SWORN STATEMENT

We, the undersigned, Raimund Becker, born 22.3.1905, residing at Essen-Steele, Dreiringstrasse 30. Alois Hoefer born 28.9.1906, residing at Essen-Borbeck, Heckelsberg 15, and Josef Dahm, born 6.12.1898, residing at Essen-Borbeck, Borbeckerstrasse 130, make the following sworn statement voluntarily:

The photographs of the torture cupboard, which stood in the foreign workers' camp in the grounds of No. 4 Armour Shop, and the dirty disreputable Russian Camp, were shown to us and we give evidence on oath as follows:

Photograph "A" shows an iron cupboard which was specially manufactured by the Firm of Krupp to torture Russian civilian workers to such an extent that it is almost impossible to describe. Men and women were often locked in one compartment of the cupboard, in which a man could scarcely stand, for long periods. The measurements of this compartment are height 1.52 meters, breadth and depth 40 to 50 cm each. In fact people were often kicked and pressed into one compartment in pairs. A Russian woman who was 7 months pregnant, told us that she had been pressed into the cupboard in a most bestial manner. At the top of the cupboard, there were sieve-like air holes through which cold water was poured on the unfortunate victims during the ice-cold winter.

Photograph "B" shows how the same cupboard looks when it is locked.

Photograph "C" shows the cupboard open. One can see exactly how deep it is and one wonders how even it was possible to press one person in, let alone two.

In Photograph "D" we see the place which was laid down by the Krupp Directorate as living quarters for the Russian civilian workers. The single rooms were 2 to 2.5 meters wide, 5 meters long and 2 meters high. In each room 16 persons were accommodated in double tier beds. The beds had straw paillasses on them and they were only changed when they fell to pieces or when they were lousy through and through. In general, it depended on the mood of the Camp Commandant, as to when and what time the paillasses were changed.

The roof of the place was sheet corrugated iron. These sheets were damaged by air raids, yet it was not allowed to repair the roofs and during bad weather the rain came in. The rooms were damp. 3 to 5 persons became ill daily through these living conditions. The Russian civilians were forbidden to have stoves in winter during the harshest cold spells. If the Camp Commandant saw a stove which had been set up secretly, he had it removed immediately. The floor was of stone and very cold. Nothing was done to cover the floor and thus make the room a little warmer.

The camp was visited by the Chief Camp Administrator, Mr. Kupke, and was acknowledged to be the show camp for the whole of the Krupp Works.

The Camp Commandant Loewenkamp informed us that the higher management [Oberleitung] had given him special praise for the model way in which he looked after the Eastern workers. We are enclosing two letters which Camp Commandant Loewenkamp had had smuggled out of prison in order to influence the undersigned Hoefer to speak favourably for him.

The undersigned Dahm personally saw how 3 Russian civilian workers were locked in the cupboard, (two in one compartment), after they had been beaten on New Year's night 1945. Two of the Russians had to stand the whole of the New Year's night locked in the cupboard and cold water was poured over them as well.

[signed] RAIMUND BECKER. ALOIS HOEFER.
JOSEF DAHM.
J. W. L. RATHBORNE, Major
[Mil. Gov. Stamp] President.

PARTIAL TRANSLATION OF DOCUMENT D-385

Speech by Mr Krupp at the first showing of the Krupp-film on October 27, 1935.

[Resume of pages 1-6]

[Putting the sacrifice by the individual for the community as the base of National-Socialism. Krupp points out that he purposely chose the opening day of the "Winter Charity Fund" for the first showing of the film, so placing it in the service of general benefit. After having given a brief statement concerning the production of the film, he continues:]

Our thoughts fly, therefore, by themselves in this festive hour of our plant community, to the man whom we thank for the resurrection of our Nation: Adolf Hitler, the patron of German labour and German art. Unanimously, we will confess and pledge ourselves to stand behind the Fuehrer and his movement today and forever and thereby to be of service to the idea of eternal Germany.

* * * * * * *

Sieg Heil to the Fuehrer.

PARTIAL TRANSLATION OF DOCUMENT D-386

Statement by KRUPP on occasion of election in Germany after the death of HINDENBURG on 10 August 1934.

[Resume: Krupp begins his statement with an obituary on Hindenburg, stating that he never will be forgotten and he will be the symbol of devotion to duty towards the German people.]

Hindenburg has bridged over all gaps of disunity by naming that man as the Fuehrer who has known how to weld together all the classes of the German people. Hindenburg has thrown over a bridge from old age to youth by entrusting the leadership of the Reich Government to the man who has known how to inspire the young, how to fill the old with confidence.

Let us all follow him now also, our Leader, our Reich—and People's—Chancellor.

In an exceptionally short time he has eliminated the quarrel between parties, has guaranteed unity to the Reich and has assured to every German pride to work, and has brought the opportunity for work to the near future. On 19 August all our votes borne of deep trust and proven confidence shall go to the man acclaimed by those hearts of many thousands and millions who cannot, because of their age, go to the polls but who daily join us, who are permitted to vote, in the Cry:

Heil Hitler!

TRANSLATION OF DOCUMENT D-387

[Speech Delivered by Gustav Krupp]
7 April 1938

Noon

Three more days separate us from the day of the plebiscite to which our Fuehrer calls us, from the plebiscite concerning Greater Germany, at the same time a plebiscite in which the proof of faith in our Fuehrer concerns every individual's conscience.

Full with thanks for what Adolf Hitler has bestowed and secured for the German people in little more than five years' leadership through internal and external peace, he is worthy of the deepest felt "Yes" from everyone of us!

To him, our Fuehrer and Chancellor a threefold

Sieg Heil!

TRANSLATION OF DOCUMENT D-390

Speech by Krupp v. B. to jubilees of the plant on
6 May 1941

Workers and Celebrants!

A year of tremendous, breathtaking events lies between last year, now behind us, and this year's Jubilee, a year so meaningful and successful, that not even the keenest optimists within our German people—and I include myself among them—would have held it possible. Let us be thankful for this year, thankful for its never expected achievements, which I hope, confidently, has taken us forward a great deal on the road to victory—on the road to peace in the full meaning of the word; let us be thankful in our hearts, but also thankful with the conscious determination of upholding our slogan of the last Jubilee: "Work and Fight", at home as well as on the front, with faith and courage.

In the present war, the two fronts, war-front and home-front, overlap more than ever before in history; more than ever before they dovetail and depend upon each other, ideally as well as materially; this too has been proven to us in the unfolding of the war so far. Let us therefore at this celebration also, commemorate *all together* with respect and gratitude our plant comrades who fell since May first of last year, either on the war-front or on the home-front, in battle or at work.

* * * * * * *

Plant comrades and celebrants, weapons still talk, we cannot yet waste too many words even in our hour of celebration; we must remember also on this occasion our soldiers, who once again, at the moment when the clock of the world strikes a new, far-sounding stroke, crown with laurels German weapons on land, at sea and in the air. Thousands of Krupp workers are also there. Since the start of the war, I repeatedly experienced the happy satisfaction of congratulating comrades from the Krupp plants, who had been decorated for bravery against the enemy or received other honours. Krupp workers not only know how to make weapons, but also how to use them manfully.

The one who, like myself, had the chance to visit and thoroughly inspect during the last weeks the fields where our superb troops made the breakthrough in the West, who could hear on that occasion the roar of our Airforce against England, who witnessed how our U-boats and speed-boats distinguished themselves against the remains of England's sea-might—such a person is bound to be thankfully proud to be able to contribute through his labours to assure to our fighters the weapons which they need for their battle, such a person is and remains devotedly and respectfully conscious that the nicest machines, the most effective instruments mean little, no, nothing, without the complete unselfish and trusting share of the individual, whose trust is assured through his knowledge of, and his faith in, the genius of his Fuehrer, who embodies the worth of the German people, their honour and might. To him, our Fuehrer we direct also in this hour in the Spring month of May our thoughts, renew our solemn oath, present our heartiest wishes and give our thanks to him. Adolf Hitler—Sieg Heil!

TRANSLATION OF DOCUMENT D–391

[Speech Delivered by Gustav Krupp]

Evening (Speech)

6 April 1938

At our family party today as well, our first thought, our first glass, is raised in deep appreciation to our Fuehrer. We are still under the lasting impression of the mighty happenings of the last four weeks; so are those of us who until a short time ago were forced to wait impatiently for these developments outside our State frontiers. To the fulfillment of century-old dreams consciously arrived at, to the fulfillment of the life-long wish of Adolf Hitler—thanks to his faith, thanks to his determination, thanks to his heart, to him, our Fuehrer, a threefold, deeply thankful,

Sieg Heil.

PARTIAL TRANSLATION OF DOCUMENT D–392

Speech by KRUPP on Jan. 26. 1934

[Resume of Pages 1-12]

[Krupp gives a view of the firm's financial history and today's status, stating that in spite of misfortunes which have occurred during the past decade, which he compares with the German history, the financial losses always were kept at a minimum.]

* * * * * * *

"So we have greeted with thankful hearts, for many the completely unexpected turn in the life of our State, that victory of faith which the genius of our Fuehrer Adolf Hitler has won through struggle. With admiration and loyalty we shall today turn our thought to the man who recognized the misery suffered by his people, who saw the circumstances from which this misery originated, who searched for a way out of this misery and who did not shun either trouble, sacrifice or suffering in order to step forward onto this path and to inspire his people. And last but not least, it is this inspiration that counts!

Great things have been accomplished within the short span of one year. The controversies between German lands, German parties, German labour and professions have vanished. The Communist danger has been defeated. We see before us the eminent accomplishment of the new State, the damming of unemployment with which we men of business are particularly concerned.

We may proudly say that this great work was also promoted by us; we have increased the number of employees of the Fried. Krupp A.-G., its subsidiaries and concerns from the beginning of the past year up to this date by almost 14,000 men. We also want to keep in mind for the future that: every single Racial Comrade who is again being returned to work and bread does not only represent relief to the expenditure of public funds, not only an increase in consumption but, what is even more important, also the liberation of a German fellow-worker from oppressive misery of body and soul means the return of happiness and satisfaction in a German home! If one takes into account the immediate effects of reinstating a man into the process of production one may, without hesitation, increase the value of these successes by another fifty, which means that one may count for every two reemployed workers one additional employee who receives again his employment through that of the first mentioned. The State of Adolf Hitler has placed economy within the structure of the whole (concept) and has anchored it to the principles of National Socialist ideology. From them the result is a now generally recognized ethics of labour and a general obligatory economic mindedness. The Fuehrer himself declared:

"The National-Socialist employee must know that the bloom of national economy means his own material well-being, and the National Socialist employer must know that the well-being and the satisfaction of his employees is the basis for the existence and development of his own economic greatness."

The inseparable union of everyone participating in the production process manifests itself in this clear formula. The disastrous controversy between employer and employee which dominated the past decades is being cleared away. In its place steps in the spirit of comradeship in the plants and individual ties to the plant. In its basic principles and details the new labour law is rooted precisely in this desire for comradeship and breaks consciously away from everything which recalls old class differences.

National-Socialism has liberated the German worker from the clutches of a doctrine which was basically hostile to both employer and employee. Adolf Hitler has returned the worker to his nation, he has made of him a disciplined soldier of labour and therefore our comrade. When on the other hand, the new State awards to the enterpriser the role of leader in economy and labour then we know that leadership has obligation!

The enterpriser and his leading officers are the trustees for the material welfare of our people. They should also be the pioneers of the economic mindedness mentioned before, in particular they should see in the worker the German man of their own blood and honor him as such.

Our Fuehrer has derived the strength for his great work from his inner relationship with his people. Especially because of this relationship of the Fuehrer to his people it is our compelling duty not only to follow him cheerfully, but above all, to assure and confirm this relationship to the Fuehrer also in the future.

I allow myself to quote Adolf Hitler's own words which he expressed at the first meeting of the General Economic Council:

"The Government would be grateful for good and useful advice. But it would have to forbid criticism which criticizes everything but its own criticism. When the Government issues a decree after mature deliberation then everyone must comply with that decree. The purpose of the General Council of Economy is to create a body between the Reich Government and the men who belong to business."

At that time, I thanked the Fuehrer for the confidence which he trusted upon the men of business and I have pledged in the name of German economy unreserved support to the Reich Government in its difficult tasks and the assurance of that body—not by negative criticism but by positive co-operation.

My dear fellow-workers! That is, in broad outline, the policy which I followed as a guide from the moment I was permitted to hear out of Adolf Hitler's mouth about his own ideas, which I followed as Director of our enterprises and leader of the Reich Association of German Industry.

We all know that great difficulties are still to be surmounted before the economic health of our country has been completely restored, before foreign policy is peacefully settled and our people liberated. Nevertheless we all went to our work this year with new confidence, everyone to his task. Our work may and shall be inspired in the future by the firm hope that our path will again lead upward, forward and upward to a better future!

Heil Hitler!

TRANSLATION OF DOCUMENT D–393

[Speech Delivered by Gustav Krupp]

THE DAY OF FATE OF THE GERMAN PEOPLE

In one of his speeches which deeply moved every Racial Comrade, Reich Chancellor Adolf Hitler recently pointed out that just as the 5th of March of this year has decided the fate of German domestic policy, so must the 12th of November bring about a decision on German foreign policy. Just as the 5th of March brought about the change from chaos to order, from disgrace to honour, in domestic policy so, on November 12, the unanimous "Yes" of the German people concerning the foreign policy of the Reich Government, shall and must give ample proof to the entire world that every citizen who is worthy of the German name, stands unconditionally behind the Reich government as led by the Reich Chancellor, and its foreign policy which is dictated by the commandment of self-respect.

There exists an inseparable connection between the domestic and foreign policies of every nation. When the laws of honour and peaceful reconstruction have become the leading thoughts of the Reich government in domestic policy, then it is conversely an unbearable thought, that the German Nation, struggling for honour, peace and equality, should still be degraded within the community of nations by exceptional laws which in reality are only an injustice. With reason has the Reich Chancellor pointed out in his great speech on foreign policy that his government knows no other goal but to help through means of peaceful undertaking and moral culture in the rebuilding of a world which knows only little happiness today. It is correct to say that the world today knows only little happiness. As a result of the frightful Treaty of Versailles, as a result of the total economic irrationality with which the German Nation was brought into poverty after the war by incredible tribute taxes the entire world economy was finally unsettled and an army of millions of unemployed stands in every country as living accusers against those who wanted to divide the world into victors and vanquished for all time. When however, the Chancellor further states that he wants to help rebuild this still unsettled world only by means of peaceful work and moral culture, we may advance still another step and say that it was his government which has already contributed tremendously in the field of economic and cultural work, to the reconstruction of a happier world order. In just about half a year it was possible to lessen the number of unemployed by more than two millions and thereby to carry through the first great attack against the terrible misery of all those Racial Comrades who had been excluded from production through no fault of their own and in spite of their willingness to work.

The realization that, at last, we have a stable government of broad vision in Germany, has given rise again to the confidence of the individual—painfully absent for such a long time—in the economic strength of our people. Private initiative, on which the Reich government places with reason the decisive value, benefiting from the generous measures for public employment, begins to move again and infuse a new flow of life in our benumbed economy through the millionfold channels of individual occupations.

Not vague theories or mental speculations made this success possible, but clear will and the application of the simple, natural laws of economic life.

If we, however, ask ourselves the question as to how Germany's foreign political situation could be improved and how peace and with it mutual trust could take the place of mutual distrust in the world, the answer remains the same. A few simple fundamental conceptions must succeed in the foreign policies of all nations. Only if nations respect one another can they work together to overcome general misery. Mutual respect presupposes however, that no nation may deprive the other of whatever it demands for itself. A lasting peace can only grow on mutual respect and the consequent recognition of the honour of all nations, which are the fundamentals of every economic rise. World peace does not depend upon diplomatic skill or tricks, but solely and only upon the good will of the nations themselves. The ultimate meaning of this people's Election called by the Reich Government is to let the German people manifest this good will before the world beyond any doubt. Whoever feels himself responsible for our own fate for the good or the harm of his Racial Comrades and for the honour of his Nation, must express an unmistakable "YES" on the 12th of November; he must furthermore make it his duty of honour to make it clear to the last Racial Comrade, that on it depends the prosperity or destruction of life of every single German. Whether this one or that one has belonged to a different political camp before, whether he practices this religion or that, when the radio broadcasts the results of the People's Election on the evening of November 12, the entire world must know that:

Germany stands in the camp of Adolf Hitler.

30.10.33. v.Br./HR.

SECRET.

12th Infantry Division
Int. Sec. No. 607/41 Secret

Int 54/816/41 Secr.
Received 27th November, 1941.
Div. H.Q. 26th Nov. 1941

Subject: Protection of troops against Partisans and Sabotage.
To: *The General Command of H.Q. 2nd Army Corps—Ic.*

Enclosed the divisional intelligence section sends a secret order dated 17th November, 1941 concerning combatting of partisans. For information.

For Div. H.Q.
Chief of the General Staff
[Signed] WEISER [?]
Adj.

1 enclosure.

SECRET

Div. H.Q. 17th Nov., 1941.

12th Infantry Division
Section Ic/Ia/Adj. No. 607/41 sch.

Subject: Protection of Troops against Partisans and Sabotage.
Reference: C.-i-C. Army—Gen. Staff of the Army. "Ausb." section (Ia) No. 1900/41 dated 25th October, 1941.

I. The conduct of the troops in the Eastern territories (see enclosure: secret order by Field Marshal v. Reichenau, dated 10th October, 1941)

II. Herewith *enclosure 1*, a blueprint of a captured map 1:100,000 Sheet no. 0-36-XI (West) Demjansk (the original was *not* sent to H.Q. 2nd Army Corps).

This print contains the defence areas allotted to regiments and independent detachments of the Division.

The Commanders of the units in question are *responsible* for the carrying and of the cleaning up of partisans in these areas and their permanent control. They regulate the employment of troops at their disposal in the area. In case of the appearance of partisans, Ic and *neighbour* will be notified. The anti-tank company in Igoghewo and 12 Detachment of the field military police—excluding the squad attached to the Adjutant—will be at the disposal of Quartermaster Section in their area.

2. The surrounding area of villages, paths and roads will be kept under control also at night by patrols and occasional snap controls.

3. The Commanders will consider the employment of local commanders in the occupied villages and will submit their names to the division.

In all places of their defence area even when not occupied, after scrutinizing the local conditions, village elders (natschalniks) will be installed, if this has not yet been done. The notifications handed out by the Ic Section of the division will be hung up even in places which are not occupied. The exhibition of these notifications must be constantly checked.

4. The village-elders will be directed to compile lists of the population in which all strangers—with the date of their arrival—will be shown particularly. The houses of every place are to be numbered in an easily visible manner, and the number of their inhabitants to be listed with special columns for men, women and children. Check through snap roll calls. *Strangers* will be reported to the competent Command by the village elders. Collective punitive measures will be carried out immediately for noncompliance with these orders (in serious cases the shooting of the responsible inhabitants, in lighter cases their arrest and the confiscation of foodstuff etc.) For this the order of a Commander (C.O. BN) is necessary.

5. The travelling of Russians—men, women or children—on roads will be stopped. The leaving of villages is allowed only in exceptional cases (of economic nature) with the written approval of the Garrison Commander. Such permits must bear the date of the day, the route to be covered and place to be visited. The validity of the pass will on principle be not longer than *one day*. A record of issued permits is to be kept. The permits will be returned on the day of expiration. Threat of penalties for the nonreturning of permits! All persons found on the high roads without a permit will be arrested. Every soldier has the duty of arresting civilians. *Caution when approaching.* Every suspected civilian in the battle area will be ruthlessly shot.

6. Civilians living in dug-outs in the woods will be accommodated in inhabited localities or in certain cases in dugouts in the immediate vicinity of inhabited localities.

7. The following will be shot as partisans: Russian soldiers in uniform and mufti who did not report to the nearest Garrison Command or to the military authorities by the 20.11. and those civilians who are found on the high roads without a permit and who do not belong to the nearest village.

Apart from that, those civilians found in possession of arms of any kind or explosives.

8. The population is to be encouraged to cooperate—by rewards. (See special orders concerning supplies No. 60 dated 30 August, 1941)

9. The shooting or hanging of partisans and such elements who support partisans and who are in possession of arms will take place in the locality where they have been encountered. If possible, persons concerned should be interrogated first—about their organization and leaders.

Special distribution: 39

Appendix to 12 Inf.Div. I.c/Adj.
No. 607/41 Secret date 17.11.1941.
Copy of a Copy

High Command of the Army
Gen. Staff of the Army/Quarter
Master General Branch Admin.

H.Qu. High Command of the Army
28.10.41.

SECRET!

(Qu.4/B)
II. 7498/41 g.

Subject: Conduct of Troops in the Eastern Territories

By order of the C.inC. Army, an enclosed copy of an order by G.O.C. 6th Army on the conduct of the Troops in eastern territories which has been described by the Fuehrer as excellent, is being forwarded with the request to issue corresponding instructions on the same lines if this has not already been done.

By order.
[signed] Wagner

Army H.Q., 10.10.41

Army Command 6.
Sec. Ia—AZ.7

SECRET!

Subject: Conduct of Troops in Eastern Territories.

Regarding the conduct of troops towards the bolshevistic system, vague ideas are still prevalent in many cases. The most essential aim of war against the Jewish-bolshevistic system is a complete destruction of their means of power and the elimination of asiatic influence from the European culture. In this connection the troops are facing tasks which exceed the onesided routine of soldiering. The soldier in the eastern territories is not merely a fighter according to the rules of the art of war but also a bearer of ruthless national ideology and the avenger of bestialities which have been inflicted upon German and racially related nations.

Therefore the soldier must have full understanding for the necessity of a severe but just revenge on subhuman Jewry. The Army has to aim at another purpose, i.e. the annihilation of revolts in hinterland which, as experience proves, have always been caused by Jews.

The combatting of the enemy behind the front line is still not being taken seriously enough. Treacherous, cruel partisans and unnatural women are still being made prisoners of war and guerilla fighters dressed partly in uniforms or plain clothes and vagabonds are still being treated as proper soldiers, and sent to prisoner of war camps. In fact, captured Russian officers talk even mockingly about Soviet agents moving openly about the roads and very often eating at German field kitchens. Such an attitude of the troops can only be explained by complete thoughtlessness, so it is now high time for the commanders to clarify the meaning of the present struggle.

The feeding of the natives and of prisoners of war who are not working for the Armed Forces from Army Kitchens is an equally misunderstood humanitarian act as is the giving of cigarettes and bread. Things which the people at home can spare under great sacrifices and things which are being brought by the Command to the front under great difficulties, should not be given to the enemy by the soldier not even if they originate from booty. It is an important part of our supply.

When retreating the Soviets have often set buildings on fire. The troops should be interested in extinguishing of fires only as far as it is necessary to secure sufficient numbers of billets. Otherwise the disappearance of symbols of the former bolshevistic rule even in the form of buildings is part of the struggle of destruction. Neither historic nor artistic considerations are of any importance in the eastern territories. The command issues the necessary directives for the securing of raw materials and plants, essential for war economy. The complete disarming of the civil population in the rear of the fighting troops is imperative considering the long and vulnerable lines of communications. Where possible, captured weapons and ammunition should be stored and guarded. Should this be impossible because of the situation of the battle so the weapons and ammunition will be rendered useless. If isolated partisans are found using firearms in the rear of the army drastic measures are to be taken. These measures will be extended to that part of the male population who were in a position to hinder or report the attacks. The indifference of numerous apparently anti-soviet elements which originates from a "wait and see" attitude, must give way to a clear decision for active collaboration. If not, no one can complain about being judged and treated a member of the Soviet System.

The fear of the German counter-measures must be stronger than the threats of the wandering bolshevistic remnants. Being far from all political considerations of the future the soldier has to fulfill two tasks:

1. *Complete annihilation of the false bolshevistic doctrine of the Soviet State and its armed forces.*

2. *The pitiless extermination of foreign treachery and cruelty and thus the protection of the lives of military personnel in Russia.*

This is the only way to fulfill our historic task to liberate the German people once for ever from the Asiatic-Jewish danger.

Commander in Chief
[signed] von Reichenau
Field Marshal.

Certified Copy:
signed [illegible]
Captain.

PARTIAL TRANSLATION OF DOCUMENT D-423

Memorandum on the conversation between the Fuehrer and Ambassador Oshima, in presence of the Reich Foreign Minister in the Wolfschanse on 3rd January 1942, from 1615 to 1800 hours

F.7 0086

The Fuehrer, using a map, explains to the Japanese Ambassador the present position of marine warfare in the Atlantic, emphasizing that he considers his most important task is to get the U-boat warfare going in full swing. The U-boats are being re-organized. Firstly he had recalled all U-boats operating in the Atlantic. As mentioned before, they would now be posted outside USA ports. Later they would be off Freetown and the larger boats even as far down as Capetown. He hopes to put 20 to 24 boats into operation along the coast of the United States alone by February. These boats are in a position to remain there for four weeks, before having to return. After having given further explanations on the map, the Fuehrer pointed out, that however many ships the USA built, one of their main problems would be the lack of personnel. For that reason even Merchant Ships would be sunk without warning with the intention of killing as many of the crew as possible. Once it gets round that most of the seamen are lost in the sinkings the Americans would soon have difficulties in enlisting new people. The training of seagoing personnel takes a very long time. We are fighting for our existence and our attitude cannot be ruled by any humane feelings. For this reason he must give the order that in case foreign seamen could not be taken prisoner, which is not always possible on the open sea, U-boats were to surface after torpedoing and shoot up the lifeboats.

Ambassador Oshima heartily agreed with the Fuehrer's comments and said that the Japanese too are forced to follow these methods.

PARTIAL TRANSLATION OF DOCUMENT D-436

THE ARCHIVE [Das Archiv] 27.9.40. Page 550
Following announcement of promotion of Karl Doenitz to Vice-Admiral

At last, in Autumn 1935, after a successful command as captain of a foreign going cruiser, the then Fregattenkapitaen is entrusted with the leadership of the first U-boats of the young navy. With the whole of his strength and energies, in the fullness of his wisdom and the power of his personality, he in these days undertakes the building up of the U-boat arm under his care. He does not do it from the office table, but arrays himself again in leather overalls and personally instructs his first captains and crews. In four years of untiring, and in the fullest sense of the word, uninterrupted work of training, he succeeds in developing the young U-boat arm personnel and material till it is a weapon of a striking power unexpected even by the experts. More than three million gross tons of sunken enemy shipping in only one year, achieved with only few boats, speak better than words of the services of this man.

PARTIAL TRANSLATION OF DOCUMENT D-443

Naval High Command/General Service Dept/
Ref. No. 156/44/S.O. only

Top Secret
S.O. ONLY COPY No. 91
BY HAND OF OFFICER ONLY.

Admiral of the Fleet Doenitz

Final address at the meeting of Commanders of the Navy in Weimar on Friday 17th December 1943.

I am a firm adherent of the idea of ideological education. For what is it in the main? Doing his duty is a matter of course for the soldier. But the whole importance, the whole weight of duty done, are only present when the heart and spiritual conviction have a voice in the matter. The result of duty done is then quite different to what it would be if I only carried out my task literally, obediently and faithfully. It is therefore necessary for the soldier to support the execution of his duty with all his mental, all his spiritual energy, and for this his conviction, his ideology, are indispensable. It is therefore necessary for us to train the soldier uniformly, comprehensively, that he may be adjusted ideologically to our Germany. Every dualism, every dissension in this connection, or every divergence, or unpreparedness, imply a weakness in all circumstances. He in whom this grows and thrives in unison is superior to the other. Then indeed the whole importance, the whole weight of his conviction comes into play. It is also nonsense to say, perhaps, that the soldier or the officer must have no politics. The soldier embodies the state in which he lives, he is the representative, the articulate exponent of this State. He must therefore stand with his whole weight behind this State.

We must travel this road from our deepest conviction. The Russian travels along it. We can only maintain ourselves in this war if we take part in it with holy zeal, with all our fanaticism.

* * * * * * *

Not I alone can do this, but it can only be done with the aid of the man who holds the production of Europe in his hand, with Minister Speer. My ambition is to have as many warships for the Navy as possible, so as to be able to fight and to strike. It does not matter to me who builds them.

TRANSLATION OF DOCUMENT D-444

[Order of the Day and Speech of Doenitz on
Death of Hitler, 1 May 1945]

21.30, 21.42, 21.57

Attention, attention! The German Radio will broadcast a serious and important announcement to the German people (Music by Wagner and Bruckner).

22.26

(Repetition of the announcement)

(Drums) It has been reported from the Fuehrer's Headquarters, that our Fuehrer Adolf Hitler has died this afternoon in his Battle Headquarters at the Reichschancellery fighting to the last breath for Germany against Bolshevism.

On the 30th April the Fuehrer nominated Grand Admiral

Doenitz to be his successor. The Grandadmiral and Fuehrer's successor will speak to the German nation.

Doenitz:

German men and women, soldiers of the German Armed forces. Our Fuehrer Adolf Hitler is dead. The German people bow in deepest sorrow and respect. Early he had recognized the terrible danger of Bolshevism and had dedicated his life to the fight against it. His fight having ended, he died a hero's death in the capital of the German Reich, after having led a straight and steady life.

His life was dedicated to the service of Germany. His devotion in the fight against the Bolshevist flood was in the interest not only of Europe but of the entire civilized world. The Fuehrer has nominated me as his successor. Fully conscious of the responsibility, I am taking over the leadership of the German nation in this fateful hour, my first task is to save German men from being destroyed by the advancing Bolshevist enemy. For this reason only do the Armies continue fighting. As far and as long as the achievement of this task is being prevented by the British and Americans, we have to defend ourselves against them too and must go on fighting. Thus the Anglo-Americans are no longer carrying on the fight for their own peoples but only for the spreading of Bolshevism in Europe. What the German people have achieved in this war through fighting and sufferings they have undergone at home are unique in history. In the coming emergency arising for our people I shall to the best of my ability make it my business to secure for our brave women, men and children the most tolerable conditions essential to life.

In order to do this, I need your help. Give me your confidence, as your road is also my road. Uphold order and discipline in towns and country. Let everybody remain at his post doing his duty. Only thus will we be able to mitigate the suffering, which the future will bring for every one of us, and prevent the collapse. If we do all that is in our power, God will not forsake us after so much suffering and sacrifice.

("Deutschland, Deutschland ueber Alles" and the "Horst Wessel" Song)

22.30

There is now a radio silence of three minutes.

22.33

As Commander-in-Chief of the Armed Forces Grandadmiral Doenitz issued the following *order of the day* to the German Armed Forces:

German Armed Forces, my comrades. The Fuehrer is dead. Faithful to his great idea to save the peoples of Europe from Bolshevism. He has devoted his life and has died the death of a hero. *With him one of the greatest heroes of German history has gone.* With proud respect and sorrow we lower the flags for him.

The Fuehrer has designated me to be his successor as head of State and as Commander-in-Chief of the Armed Forces. I am taking over the Supreme Command of all branches of the German Armed Forces with the will to carry on the struggle against the Bolshevists until the fighting forces and until hundreds of thousands of families of the German Eastern area have been saved from slavery and destruction.

Against the English and Americans I must continue to fight on as long as they prevent me from carrying on the fight [–translator's addition–? against Bolshevism].

The situation requires from you, who have achieved such great historic deeds, and who are longing for the end of this war, further unconditional devotion. I demand discipline and obedience. Only by carrying out my orders unconditionally will chaos and destruction be avoided. He is a coward and traitor who, especially at this time, evades his duties and thus brings death or slavery to German women and children.

The oath sworn by you to the Fuehrer is now owed to me by everyone of you as the successor appointed by the Fuehrer.

German soldiers do your duty. The life of our nation is at stake.

(serious music)
Reichsprograme North (Hamburg)

TRANSLATION OF DOCUMENT D-446

EXTRACT FROM THE BDU WAR DIARY OF 16TH SEPTEMBER 1942

With four full boats in tow U 156 has been bombed five times by an American aircraft of the "Liberator" type, and this in spite of flying a large Red Cross flag. Both periscopes are temporarily out of action. The boat is discontinuing her help and putting all the shipwrecked men overboard. She is ordered to take no further part in rescue operations. All boats are again told that their own safety may under no circumstances be endangered. If necessary, they should resort to any measures, even the ruthless breaking off of all salvage operations. Only Italians should be kept on board and be handed over to the French at the rendezvous agreed upon. As is evident from the message from U 156, the Commanding Officer believed that the enemy would refrain from making an attack when he saw a Red Cross flag, and the rescue measures being taken. This point of view is incomprehensible. It must be assumed that the sight of so many hundreds of survivors struggling for their lives possibly influenced him to think thus.

TRANSLATION OF DOCUMENT D-448

VOELKISCHER BEOBACHTER, 25 APRIL 1942

On the 24th of April, Admiral of the Fleet Raeder celebrates his 66th birthday

It was to Raeder's credit to have already built up by that time a powerful striking force from the numerically small fleet, despite the fetters of Versailles.

With the assumption of power through National Socialism, began, too, the most fruitful period in the reconstruction of the German Fleet.

The Fuehrer openly expressed his recognition of Raeder's faithful services and unstinted co-operation, by appointing him "General-Admiral" on 20th April, 1936. In April, 1939, on the 45th anniversary of the day on which Raeder first joined the Navy, the Fuehrer on 1st April, 1939, after the launching of the battleship "Tirpitz," expressed his congratulations to the General-Admiral on board the battleship "Scharnhorst" and in further recognition of his merit in building up the Navy of the New Germany, promoted him to "Admiral of the Fleet."

This highest distinction crowned a military career as brilliant as it was meritorious. As a soldier and a seaman, the General-Admiral has proved himself to be the Fuehrer's first and foremost naval collaborator.

The heroic and successful deeds in the years of the World War have been repeated in the War against England. To have created this striking force for the Fuehrer is Admiral of the Fleet Erich Raeder's greatest merit.

PARTIAL TRANSLATION OF DOCUMENT D-449

THE ARCHIVE

[Das Archiv] 1937. Page 650.

"The unity of the racial and national will created through Nazism with unprecedented elan has made possible a foreign policy through which the bonds of the Versailles Treaty were slashed, the freedom to arm regained, and the sovereignty of the whole nation reestablished. We have again become master in our own home, and we have produced the means of power to remain henceforth that way for all times * * * The world should notice from Hitler's deeds and words that his aims are not aggressive ones."

PARTIAL TRANSLATION OF DOCUMENT D-471

THE ARCHIVE

[Das Archiv] Oct. 1937, Page 921

"Out of the acknowledgment of these elementary facts the Reich Cabinet has always interceded *in favour of treating every concrete international problem within methods especially suited for it*, not to complicate it unnecessarily by amalgamation with other problems and as long as problems between only two powers are concerned to choose the way for an immediate understanding between these two powers. We are in a position to state that this method has fully proved itself good not only in the German interest, but also in the general interests."

TRANSLATION OF DOCUMENT D-472

INTERNATIONAL BIOGRAPHICAL ARCHIVES [Internationales Biographisches Archiv] 22-4-1943

Joachim von Ribbentrop, Minister for Foreign Affairs, S.S. Obergruppenfuehrer

1. Joachim von Ribbentrop who adopted in 1925 the particle "von" as a title was born on 30 April 1893 and was the son of a retired Lt. Colonel Richard Ribbentrop who died in Berlin on 1.1.1941 and his wife whose maiden name was Rittwitz and Caffron. Ribbentrop's family came originally from Lipperland.

Ribbentrop spent his childhood and his school years mainly in Metz where his father's garrison was stationed for a time. Between the ages of 15 and 17 he lived in Switzerland, then he spent a year with a family of a professor in England. At the age of 18 he went to Canada where he had to earn his living. He obtained work on the construction of the great Quebec bridge, across the river of St. Lawrence and was engaged for two years on building caissons and railway trucks. With the outbreak of the 1914 war he made his way through to Germany on a Dutch ship. He entered, as a volunteer, the 12th Hussar Regiment where he received a commission in 1915. After being wounded, he was made, in the spring of 1918, Adjutant to the Plenipotentiary of the War Ministry in Turkey; at the end of the war he worked at the War Ministry and was later appointed Adjutant of the peace delegation. He retired as a first lieutenant.

Ribbentrop turned now into a tradesman and started an import and export business, limiting himself mainly to dealings in wines. These activities led to his marriage on 5.7.1920, to Anna Henkell, the daughter of the owner of the well-known German champagne vaults. Up to the present there are five children of this marriage. Having already made connections abroad he now established fresh links with England and France. He succeeded in extending these to political circles, having joined in 1930 the service of N.S.D.A.P.

At the time of the final struggle for power in the Reich, Ribbentrop played an important, if not strikingly obvious part in the bringing about of the decisive meetings between the representatives of the president of the Reich and the heads of the N.S.D.A.P., who had prepared the entry of Nazis into power on 30.1.1933. Those meetings as well as those between Hitler and von Papen took place in Ribbentrop's house in Berlin Dahlen.

After the 30.1 too Ribbentrop remained something of a confidential deputy of the Fuehrer in his discussions with foreign statesmen and politicians until in April 1934 he was appointed by the president of the Reich, von Hindenburg, Special Commissioner on the question of disarmament. In this capacity he undertook, in May 1934, journeys to London and Rome, where he established contact with Mussolini; in June he was received by Barthou and Doumergue in Paris, in December by Laval. In September 1933 he was the guest of the Leader of the French Ex-Servicemen's Association Coy, with whom he had in common the desire to bring about closer co-operation between France and Germany through the activities of the ex-servicemen's organizations of the two countries. But in particular he prepared in this capacity diplomatic achievement of the equality of Germany in political and military matters which became a reality with the declaration of her sovereign rights to re-arm on 16.3.1935.

On 31.5.1935 Ribbentrop was appointed ambassador of a special mission and on 21.5.1935 charged with securing a Naval treaty with England on the basis of 35 to 100, the signature of which followed on 18.6.1935. After the re-occupation of the demilitarized zone in the Rhineland on 7.3.1936, Ribbentrop represented the Reich at the extraordinary session of the League of Nations in London as a special envoy and explained before that assembly the reasons for Germany's attitude. Soon after this Council meeting Ribbentrop handed over to the British Government the Great Peace Plan which had been developed by the Fuehrer and Reichschancellor in Reichstag on 29.3.1936.

On 11.8.1936 the Fuehrer and Reichschancellor appointed Ribbentrop as ambassador in London. At this difficult post Ribbentrop strove to achieve an understanding with England. During his activities in London Ribbentrop was at the same time German representative at the non-intervention conference, which was expected to localize the Spanish Civil War. In his capacity as the extraordinary and plenipotentiary ambassador, Ribbentrop led in autumn 1936 the discussions in Berlin with Muschakoji, the Japanese Ambassador at that time, on the German-Japanese Anti-Comintern Pact, which was signed on 25.11.1936. On 6.11.1937 Italy too entered this pact.

On 4.2.1939 the Fuehrer and Reichschancellor appointed Ribbentrop to the post of the Foreign Minister in succession to Baron von Neurath, who in his turn was appointed President of the Secret State Council. In that capacity Ribbentrop took part, as early as 12.2.1938 in the conversations of the Fuehrer in Obersalzberg with Dr. von Schuschnigg then Austrian Reichschancellor. The Anschluss of Austria on 13.3.1938 must be marked as the hour on which the Great German Reich [Grossdeutschen] was born. On 14.3. Ribbentrop took over also the work of the Austrian Foreign Ministry. Between the 2. and 9.4 he remained in attendance with Hitler during his seven days' state visit in Italy.

After a summer full of crises, including the threat of war, the question of the Sudeten-Germans was cleared up at the conference of the "Four Great Men" (Hitler, Mussolini, Chamberlain, Deladier) in Munich (29–30.9.1938), when the purely German parts of Czecho-Slovakia were awarded to the Reich. On the following day, the tension which was felt throughout the world was eased by the declaration made jointly by Hitler and Chamberlain on the German-British relations. A German-Italian Court of Arbitration called by the Governments of Hungary and Czecho-Slovakia and presided over by Ribbentrop settled, on 2.11.1938, territorial disputes between these two countries. Still under the retrospect influence of the Munich discussions, the Reich's Foreign Minister von Ribbentrop, who had travelled specially to Paris, and the French Foreign Minister, Bonnet, issued on 6.12.1938, as a result of their deliberations, a declaration, similar to the British-German one of Munich, on the mutual relations of their respective countries. As the relations between the Reich and Poland (5.1.39, Beck was in Munich, 26–27.1—Ribbentrop in Warsaw) as well as with other European countries could at that time still be regarded as friendly, the Fuehrer felt himself justified in stating, in his Reichstag declaration of 30.1.39, that, during the historic year of 1938, "Ribbentrop's correct and bold judgment, and sometimes excellent ways of dealing with all problems of foreign policy, meant to him extraordinary help in carrying out his policy." In May 1939 in order to ensure the policy of the Reich, the pact of alliance with Italy was concluded. Soon, however, the animosity between the Slovaks and the Czechs degenerated into a threat to the peace of Central Europe. Thanks to the foresight of the President of the Czech Protectorate, Dr. Hacha and his Foreign Minister Chvalkovsky, also this crisis would be solved without fight. On the 14th March 1939, Dr. Hacha, in view of the invasion by German troops, laid the fate of the Czech people and country into the hands of the Fuehrer of the German Reich. (16th March institution of the Protectorate Bohemia and Moravia.) At the same time Slovakia announced her autonomy and asked for the protection of the Reich. After previous negotiations between Ribbentrop and Lithuanian Foreign Minister Urbsys also the Memel-land could return into the Reich on 22nd March 1939.

Although it had been possible to regain without conflagrations all the territories, cut off the Reich by the Dictate of Versailles, all endeavours to settle with Warsaw the questions of Danzig and the Corridor were frustrated through the interference of England. An English promise of guarantee stiffened Poland's attitude to such an extent, that in the course of the summer the crisis, which had existed since the spring 1939 increased to a danger of war, although the Fuehrer had offered a guarantee of the Polish frontiers in return for the return of Danzig into the Reich and a very magnanimous solution of the Corridor question. When the Western Entente already thought the ring round the Reich closed, the German Foreign Policy succeeded in coming to an agreement of consultation and non-aggression with Russia which was signed by Ribbentrop in Moscow on 23rd August 1939. On the 28th and 29th September, when Ribbentrop was in Moscow for the second time, the negotiations on a frontier—and friendly agreement and German-Russian economic planning were ended.

Polish frontier violation released on the 1st September 1939 the 18 days' victorious campaign through Poland. All previous negotiations between Ribbentrop and the British and French Ambassadors and an offer of mediation by Mussolini proved unsuccessful; on the 3rd. September first the British and three hours later the French Ambassador handed their Governments' declarations of war to Ribbentrop. In spite of that on the 5th October 1939 the Fuehrer in the Reichstag addressed another peace appeal to Britain and France, but again in vain.

During the lull in the winter of 1939/40 President Roosevelt tried to use his influence on European events. On the 1st February 1940 his emissary, the Under-Secretary of State for Foreign Affairs, Sumner Welles, had talks with the Fuehrer and the Reich Foreign Minister.

With the occupation of Denmark and Norway on 9th April 1940, only a few hours before the landing of British troops in these territories, the battle began against the Western Powers. Simultaneously with the marching of the German Armies into Holland and Belgium, on the 10th May von Ribbentrop disclosed, in front of representatives of the foreign press, the English-French intentions which had been made known in Berlin, to invade the Ruhr district via Belgian and Dutch territory. After Marshal Petain had asked for an Armistice on 17th June 1940, shortly after Italy's entry into the war, the Fuehrer in the presence of the high generals and the Reich Foreign Minister, received in the wood of Compiegne on 20th June the French Delegation, which had come to accept the terms of armistice.

After the victory in the West, the Fuehrer turned to the realization of his plans for a United Europe. In agreement with allied Italy, shown clearly by the repeated meetings of the Foreign Minister, von Ribbentrop, and Count Ciano, and by decisions of importance in talks between Hitler and Mussolini themselves, began at first an economic infiltration of the South Eastern States and the building up of mutual conditions of confidence. The latter induced the Hungarian and Rumanian Government in their negotiations on territorial reconciliation to ask for an arbitrator's decision by the Axis, which took place under the chairmanship of von Ribbentrop on the 30th August 1940 in Vienna. After that, at first Hungary, which since February 1939 adhered to the Anticomintern Pact, joined on November 1940 the Tripartite Pact, which had been signed between Germany, Italy and Japan on the 27th September 1940. The necessity to transform the Anticomintern Pact into a security pact with a possibility of other countries to join, had resulted from the attitude of the U.S.A. becoming more and more threatening towards Japan and the Axis and from the increasing help being given to Britain, which culminated in the U.S.A. law for help to Britain in March 1941. Rumania, under her new Head of State, General Antonescu followed the example of Hungary. General Antonescu himself performed the signing of Rumania's declaration of adherence to the Tripartite Pact in Berlin.

On the 12th November 1940 the Chairman of the Committee of the People's Commissar, the Foreign Commissar Molotov, returned in Berlin the Reichsforeignminister's visit of autumn 1939.

The year 1941 brought Bulgaria into the Three Power Pact on

1/3. Later, on 25/3 Jugoslavia also joined the Three Power Pact. However, a few days after the signing of the Pact in Vienna, a revolution took place in Belgrade, brought about by London and Moscow and resulted in a German invasion of Jugoslavia on 6/4. On the same day, Foreign Minister von Ribbentrop issued a declaration of the Reich Government's resolution concerning Jugoslavia and Greece. The conclusion of the German-Turkish Pact of Friendship (18.6.41) was regarded as a German diplomatic victory over England.

The Foreign Office communique issued the morning of 22.6. contained extraordinary significant information regarding the treacherous activities of the Soviet Government since the conclusion of the German-Soviet Pact of Friendship, at the same time the German invasion armies crossed the Russian frontier.

On 25.11.1941., a State Government meeting was held in the Ambassador's Hall of the new German Chancellery. A Pact was signed by the representatives of the signatories of the Anticomintern Pact, prolonging the Agreement, and the representatives of the Governments of Bulgaria, Denmark, Finland, Croatia, Rumania and Slovakia joyfully acclaimed the participation of their respective countries in this Pact.

Rules were laid down for mutual operations against the Anglo-American enemy and after the entry of Japan and U.S.A. in the war, a military convention was signed in Berlin on 18.1.1942 between Germany, Italy and Japan.

TRANSLATION OF DOCUMENT D-473

The Chief of the Security Police and the Security Service (SD)
III A 4 (new)-296/44

Berlin, 4th December 1944

To c) the Criminal Police (Head) Offices *by way of information*
Subject: Combating of crime amongst the Polish and Soviet-Russian civilian labourers (authorization for the Criminal Police to independently prosecute cases of minor and medium crimes).
Reference: Decree III A 5 b no. 187/43—176—3 of the 30.6.43

According to the decree of the 30.6.43, crimes committed by Polish and Soviet-Russian civilian labourers are being prosecuted by the State Police (Head) Offices, and even in those cases, where for the time being the Criminal Police had, within the sphere of its competence, carried on the inquiries. For the purpose of speeding up the process and in order to save manpower, the decree of the 30.6.1943 is altered, and the Criminal Police

(Head) Offices are authorized as from now on to prosecute themselves the crimes they are inquiring into within the sphere of their competence, insofar as they are cases of minor or medium crimes. Included in these are for instance crimes of negligence, damage to property, theft and receiving (unless committed in gangs), fraud, games of chance, as well as all offenses against the war industry regulations, also insofar as in this connection it is a case of being a crime. Cases of doubt are to be arranged by local discussion between the heads of the State Police (Head) Offices and the Criminal Police (Head) Offices.

The following are available to the Criminal Police as a means of prosecution:

Police imprisonment

(See No. 15 in the series of publication of the Reich Criminal Police Department, "Preventive action against crime;" decree by the Reichsfuehrer of the SS and Chief of the German Police S II A 2 No. 57/43—176 of the 19.3.1943, publication of orders, page 86, and directives hereto; decree by the Chief of the Security Police and the Security Service V. A. 2 No. 557/43 of the 10.5.1943.)

Admission into a concentration camp for preventive custody as being anti-social or dangerous to the community.

(See No. 15 of the series of publications of the Reich Criminal Police Department "Preventive action against crimes;" decree of the Reich Ministry for the Interior Pol. S.—Kr. 3 No. 1682/37—2098, and directives hereto, of the 14.12.1937; decree of the Reich Criminal Police Department of the 4.4.1938, in this case of the 8.4.1942; and decree of the Reich Security Department V. A. 2 No. 387/43 of the 31.3.1943, the first paragraph of which is to be applied to Soviet-Russian civilian labourers too).

Their stay in the concentration camp is normally to be for the duration of the war.

Besides this, the Criminal Police (Head) Offices are authorized to hand over Polish and Soviet-Russian civilian labourers in suitable cases and with the agreement of the competent State Police (Head) Offices to the Gestapo's *penal camps for the "education of labour."*

Where the possibilities of prosecuting an individual case are insufficient because of the peculiarity of the case, the incident is to be handed over to the competent State Police (Head) Office.

Signed: Dr. Kaltenbrunner

PARTIAL TRANSLATION OF DOCUMENT D-481

1934 REICHSGESETZBLATT, PART I, PAGE 785

Law regarding the swearing in of officials and Soldiers of the Armed Forces, 20th August 1934

Paragraph 1

Public officials and soldiers of the Armed Forces will swear the service oath on entering the service.

Paragraph 2

1. The service oath of public officials is worded as follows:

"I swear: I will be loyal and obedient to the Leader of the German Reich and People, Adolf Hitler, observe the Laws, and fulfill my official duties conscientiously, so help me God."

2. The service oath of the Soldiers of the Armed Forces is worded as follows:

"I swear this holy oath by God that I will implicitly obey the Leader of the German Reich and People, Adolf Hitler, the Supreme Commander of the Armed Forces and that, as a brave soldier, I will be willing to stake my life at any time for this oath."

* * * * * * *

Berlin, 20th August 1934.

The Fuehrer and Reichs Chancellor
Adolf Hitler.
The Reichs Minister for the Interior
Frick
The Reichs Minister for War
von Blomberg

COPY OF DOCUMENT D-490

Extract from Testimony of Joachim von Ribbentrop, taken at Nurnberg, Germany, on 20 September 1945, 1430–1615, by Col. Howard A. Brundage, JAGD, OUSCC, and Mr. D. C. Pool, Special Representative of the Secretary of State. Also present: Siegfried Ramler, Interpreter, and Pvt Clair Van Vleck, Court Reporter

Q. Put your mind, please, on August '39, as the crisis approached. Do you recall when Durksen came back from London to Berlin?

A. No, I don't remember, but I suppose I was probably at the front at the moment with the Fuehrer, I suppose. I don't know whether he came back from Switzerland or what. I don't remember now.

Q. You don't know?

A. No; I don't recall it, no.

Q. He came back, I believe, the 18th of August, directly to Berlin.

A. The 18th of August?

Q. Yes, or approximately. I may be a day or two off. He was not in London?

A. Oh, he was not in London.

Q. He was not in London when war was declared?

A. Let me see. That is quite possible.

Q. He returned to Berlin?

A. It may be also that I don't recall his reports, that this is the reason I don't recall his reports at that time, you see.

Q. I am speaking of his reports over a period of sixteen months.

A. Oh, yes.

Q. He was in England for sixteen months altogether?

A. Yes, but I mean probably that explains why I don't recall his reports in this important period, you see.

Q. What explains it?

A. This important period in August.

Q. No; I am asking about his reports over a period of sixteen months, during his own embassy in London. He came back to Berlin on the 18th of August, or about that time, and he asked for an interview with Hitler and, naturally, for an interview with you, since you were the Minister of Foreign Affairs.

A. Yes.

Q. According to my information, you did not receive him?

A. I don't remember now.

Q. What situation could be more dramatic? Here is a Foreign Minister, who has chosen a particular man to be Ambassador in a country with which war threatens, and war actually broke out very soon. He returns from his post approximately two weeks before the outbreak of war; asks to see the Foreign Minister, and the Foreign Minister is too busy to see him.

A. I don't remember that.

Q. You don't remember that?

A. No. I didn't see him.

Q. Yes.

A. I don't remember, no. Wasn't he ill?

Q. No; he was in perfectly good health.

A. I don't remember that exactly.

Q. Surely, you recognize that to be a very extraordinary situation. You appreciate the drama of it?

A. I assure you—this was the situation you are talking about, was it?

Q. Yes. I will put it to you another way, Herr von Ribbentrop. If you had received him, surely you could not have forgotten an interview under those circumstances?

A. Well, I wonder—let me see, on the 18th—it is very difficult now to recollect the exact dates. He came back on the 18th, you say, of August?

Q. Yes. I may be one or two days off, but war broke out on the 1st of September, as I recall, so let us say a fortnight before that, a little less than a fortnight. Surely you must remember those days with great clarity?

A. If I hadn't seen him, I don't remember why. You are quite sure that I didn't see him? I don't know.

Q. Your question is in turn astounding. How could a Foreign Minister fail to remember whether he had seen an Ambassador under those circumstances; his own Ambassador returning from the capitol?

A. What was the circumstances on the 18th?

Q. Surely, you remember them, Herr von Ribbentrop. This was within two weeks of the outbreak of war.

A. Yes, but there was no tense situation. There was, of course, with Poland. The situation had been tense and perhaps was still, but there was no such tense situation with England.

Q. It was not tense within two weeks of the outbreak of war?

A. I don't remember whether I saw him. I must think about that. I don't know. The 18th of August, you say that was? That surprises me.

Q. If the 18th of August troubles you, say the last two weeks of August. It is all the same whether it was one day or the other.

A. I wonder whether these circumstances weren't different. Wasn't he there on an illness or something? Hadn't he been away from London for quite a time already?

Q. He came to Berlin and asked to see the Fuehrer and he asked to see you. He was not received even by you, although he repeatedly sent word to your secretaries, that he sat in Berlin, in perfectly good health, in the hope of seeing you and finding it utterly incredible that you should not receive him.

A. He surely saw the Secretary of State, didn't he?

Q. That is not the question. I want to know whether he saw you. My information is that he did not and you cannot remember. The mere fact that you cannot remember must be very striking to you, isn't it?

A. I don't remember that, no. I must think about it. I must think about it. The Fuehrer didn't think much of Durksen, so far as I remember.

Q. He didn't think much of him?

A. Not very much, no, but I say I don't remember now. I can't tell you at the moment.

Q. You recognize how strange it is that you can't tell me?

A. I am certain if he had been there, and I couldn't have seen him, if the situation was that way, he had just come over from London, wanting to see me, I mean if I couldn't see him, perhaps I wasn't in Berlin. I don't remember now.

Q. That would interpose no barrier. Germany is not a large country.

A. It is sometimes difficult, you see. I don't know where I was. Possibly I told him to see the Secretary of State and make a report about that. That is possible, but I don't remember at the moment.

Q. The matter interests me very much because of your insistence in other interrogations that you and the Feuhrer endeavoured until the very last moment to come to some understanding with England.

A. We certainly did.

Q. Then I speak to you quite frankly, because this is an important matter. I just cannot believe that when you did not take the opportunity to talk with your own ambassador, whom you had selected, when he returned from the capitol, again, Herr von Ribbentrop, I come to the unpleasant and inescapable conclusion that you are not being frank with me.

A. Oh, yes, absolutely frank. No, that is not right, but you can only understand it by this way: that I can assure you that in the whole discussion with England, in all those events, the name Durksen, and the attitude of Durksen, never has played any role. This again comes very much out of the attitude of the Fuehrer towards diplomats, old diplomats, and embassies and so on. The Fuehrer was so much against most of these ambassadors, and so on, that he hardly ever saw them at all. I couldn't even induce him to see any of them. So it is perhaps understandable in that way. I don't remember at the moment one instance where the reports of Durksen in the sixteen months, where the name of Durksen or his opinions or his views played a role, I must say, in all the Fuehrer's decisions which he made during all that time.

Q. I am not interested in the Fuehrer at this moment.

A. Also myself.

Q. I am interested in your views.

A. Also of myself.

Q. You were the man who selected him to go to London and had kept him there. At a moment when you were endeavouring, according to your statement, in every way to avoid war, you failed to talk to the man who was presumably best informed?

A. I must say quite frankly, in my perception, so far as I remember, we never considered Durksen as a man who had, let us say, my particular confidence or the Fuehrer's particular confidence, never as such. Everybody can tell you that he was a quiet, routine diplomat we had sent there, but he was not a man, I don't think, during the sixteen months, who was ever called to give his views on anything of that sort. These things were generally done.

Q. As a matter of fact, he was recalled during that time on two or three occasions, but in any case, if you sent such a man to London at that time, it does not support your contention that you were seriously interested in working out an arrangement with Great Britain.

A. We certainly did.

Q. Again, either way you put it, it destroys your contention that you wished, at almost any cost, to make an adjustment with England.

A. During the last fortnight we still did, I mean during the last fortnight, up until the war broke out, we did in the last week very much. This was also done, not through Durksen, for instance, this was done then through Henderson. For instance, Henderson then went to London, But Durksen played no role in these questions.

Q. You made a very poor choice of Ambassador in a critical situation. Either way you were guilty of dereliction.

A. When we sent Durksen there, I remember we considered for a long time who to send. Then we came to Durksen as a quiet and routine ambassador, who would look after matters as well as he could. That was because we had nobody else. That was more or less the idea then.

File memorandum concerning the conference on 28 July 1942 with Mr. Habermaas and with Mr. Biegi of the Erawa

Subject:—LIANCOURT.

Before my departure for Paris Mr. Biegi informed me of the fact that the Erawa had made to Commissar Erhard to the custody of whom the Austin plant at Liancourt has been entrusted, an offer for the acquisition of the land, the buildings and of the machines of the Austin factory. He has been offered 5 million francs for all the property including buildings, real property, machines, equipment, and supplies, free of any liabilities. The right to withdraw from the option was reserved. In the meantime it was planned to ascertain the possibilities of financing the purchase and of transferring the money to Paris on the basis of conducting the Liancourt factory as an F K and not as Army enterprise.

Having investigated the matter in Paris I gave the gentleman the following report:—

Mr. Stein supplied the information that up to now Mr. Erhard in Paris could not make up his mind to consent to the sale on the basis of our offer. He suggested to Mr. Stein to go into partnership with a French firm, and since Mr. Stein could not make any suggestions on this line, M. Erhard delayed the negotiations to such an extent that finally the appropriate military authorities in Paris urged a settlement. This authority declared that if Mr. Erhard could not make up his mind to sell, at least he would have to give a three years' lease to Krupp.

The custodianship would be taken away from Mr. Erhard and a German Commissar would be appointed unless the lease were granted in a very short time.

In as much as we want to manage Liancourt as a Krupp, and not as an Army enterprise, this factory can be operated only in conjunction with a French firm. It was learned from Mr. Kramer, country group leader [Landes Gruppen Leiter] of the bureau of foreign commerce [Aussen Handelsamt] of the NSDAP, that while the French object to an increase of German economic influence in France they consent to German participations up to 30 per cent.

Thus in order to get ahold of Liancourt I suggested to Mr. Stein first to make a 3 years' lease. As soon as the planned hard metals factory at Dreux will be set up, it shall be tried to break the lease and officially to purchase Liancourt and the hard metals factory from the custodian. The new hard metals factory in

Dreux which will be called "Sofamet" also might set up a new corporation at Liancourt in conjunction with Krupp, at a ratio of 70% Sofamet and 30% Krupp. In this way a purely Krupp firm could be incorporated at Liancourt which from the French side would look as if it were to 70% under French control, while as a matter of fact it would be 100% in German hands. This is because the Sofamet shares will be assigned to the Zapp sales corporation "Sica" which has been recognized as a French business, accordingly during the Franco-German war it had not been sequestered prior to the armistice.

Mr. Habermaas was in basic agreement with this plan, he is only doubtful as to the point whether he should enter a lease without knowing when Liancourt finally can be acquired by a corporation of our own.

His objections were that he will have to make fairly heavy investments in Liancourt in the intervening period. If the contemplated transactions with Sofamet cannot be carried out, the money will have been invested in Liancourt, and it might have to be considered lost if we do not succeed in selling the factory.

It was agreed with Mr. Habermaas that if possible Mr. Stein should obtain a 3 years' lease which would also give us the option within the duration of the lease to acquire the plant at the flat price of 5 million francs at a time selected by us.

Mr. Stein shall be informed accordingly.

Finance department, 29 July 1942.
SCHUMMANN.

TRANSLATION OF DOCUMENT D–566

AFFIDAVIT OF PETER JOSEPH HEISIG, OBERLEUTNANT ZUR SEE

27.11.45

The news that German U-Boat officers are accused of murdering shipwrecked allied seamen makes me feel it my duty to give the following testimony.

In September 1942 I was sent as a midshipman to attend a course for U-Boat Officers of the Watch (UWO Lehrgang) at the 2nd U-Boat Training Division (2te ULD) at Gotenhafen-Oxhoelt.

At the end of September—or it might have been at the beginning of October—Grand Admiral Doenitz, who was then still C-in-C U-Boats carried out an inspection (data for the exact date of this inspection are in a diary at my parents' and are not available to me at the moment). During the period between 10 and 11.45 o'clock Grand Admiral Doenitz spoke about the military situation in the Theatre Hall of the 2nd ULD.

The gist of this talk of Admiral Doenitz's about the position, during which I heard his words clearly and distinctly, was as follows: U-boat successes have diminished at the moment. The reason for this is the energetic use of air patrols by the enemy. One cannot however expect the old successes to be achieved again in a few months as a result of the development of new anti-aircraft weapons. Hitler personally assured him, Doenitz, that U-boats would be given priority in the allocation of the new anti-aircraft weapons.

To a question by an officer with reference to an article in the "Deutsche Allgemeine Zeitung" about ship-building in the USA; Admiral Doenitz replied:

"According to news received from America we were bound to reckon with the possibility that in the Allied countries more than 1,000,000 net registered tons of new merchant shipping space would be brought into service monthly. This was more shipping space than would be sunk even with good U-boat successes. The bottleneck of the Allies lay only in the problem of personnel for these newly built ships. The Atlantic route was too dangerous for seamen so that they even had to be brought aboard ship under compulsion. This was the point where we, the U-boat crews, had to take a hand. He therefore demanded that we should from now on carry on total warfare against ship and crew. That meant: so far as possible, no seaman from a sunk ship was to get home any more. Only thus could the supply line of the British Isles be seriously endangered and only thus in the long run could we strike a noticeable blow at Allied merchant shipping traffic. In this way it would be impossible for the opponent even to make use of his newly built ships, since no more crews would be available to him. After the sinking of a ship, every possibility of rescue must be denied to the crew, through the destruction of every means of saving life.

I later discussed these remarks of Admiral Doenitz's with the others, and all present unanimously and unambiguously took them to mean that after the sinking of a ship, all possibility of escape, whether in boats, on rafts or by any other means, must be denied to the crew and the destruction of the crew was to be attempted by every means. This mode of warfare was for me as for most of my comrades completely new. Owing to Admiral Doenitz's authoritative position, it was nevertheless fully and completely accepted by many of them. He sought to invalidate in advance any doubts which might arise, by pointing to the air war and the bombing.

I still remember details of this address; it is, however, not possible for me to cite them all in this statement.

TRANSLATION OF DOCUMENT D-569

The Reich leader of SS troops
The Inspector of the concentration camps
Pol / File No: 14 f 8 – 10/Ot–/U
/41
Secret Journal No.

Oranienburg, 29th Oct. 41.

Regarding: Procedure in cases of unnatural death of Soviet-Russian prisoners of war.

Reference: Local Police Order / File No. 14 b/Ot/U.–Secret Journal No. 89/41 of the 11.10.41.

Enclosures: None.

Secret

To the Commandants of the concentration camps
Da., Sah., Bu., Mau., Flo., Neu., Au., Gr.-Ro.,
Commandant of the Prisoner of War Labor camp Lublin.

As amendment to the local police order Polish/ File No. 14 b 18/Ot./U.-Secret journal 89/41 of the 11.10.41 it is ordered, that in cases of unnatural death of Soviet Russian prisoners of war (shot whilst trying to escape suicides, etc) a short report by the legal officer (with a short note about the result of the examination if occasion arises) should be submitted here in addition to the prescribed death notice to the inspector of the concentration camp.

This report of the legal officer is duly intended for the local office and for the camp; for the present it is not to be sent to WAST. The competent SS and police courts are also not to be informed of cases of unnatural death of Soviet Russian prisoners of war.

By order,
[Signature unreadable]
Lieutenant-Colonel of SS Troops.

The Reich Leader of SS Troops
The Inspector of concentration camps
Pol. File No: 14 f 14 /L/Ot. U:—
Secret Journal No. /41

Oranienburg, 15/11/41

Regarding: Execution of Russian prisoners of war.
Ref: None
Enclosures: None
To the Commandants of the concentration camps
Da., Sah., Bu., Mau., Flo., Neu., Au., Gr.—Ro.
Copies to: Camp Doctors Protective custody camp leaders (E), Administrative authorities.

The Reich leader of SS troops and Chief of the German police has agreed in principle with the postponement of the execution of Russian prisoners of war (particularly commissars) sent to concentration camps to be executed, if their physical condition enables them to work in a quarry. For the carrying into effect of this measure it is necessary to obtain approval of the Chief of the Security Police and of the SD (Security Service).

It is, therefore, ordered:

That on arrival of execution transports in the camp, the physically strong Russians who are fit to work in a quarry, are to be picked out by the leader of the protective custody camp (E) and the camp doctor. A list of names of the picked Russians is to be submitted here in duplicate. On this list the camp doctor must rectify, that from a medical point of view there are no objections against employment of these men.

After a declaration of agreement by the Chief of the Security police and of the Security Service the transfer to a quarry camp of the Russians concerned will be ordered from here.

[signature illegible]
SS Brigade leader and Major General of the Waffen SS.

Copy

Ober Kommando der Wehrmacht Berlin - Schoeneberg
(German High Command) Badenschestr. 51
Az. 2 f 24.19 AWA/Prisoners of War (16) 22-11-1941
re:—Treatment of Soviet Prisoners of War

1. The following order was issued in the Army regulations:—

"It is the duty of every soldier to watch every unguarded Soviet prisoner of War, to arrest him and to hand him over at the nearest Police Station.

D–569

If there is a prisoner of War camp in the immediate vicinity the arrested man is to be conducted there.

OKW. 29th October 1941
Az. 2 f 24 19m AWA/Prisoners of War (16)

If escaped Soviet prisoners of War are returned to the camp, in accordance with this order, they have to be handed over to the nearest Service Station of the Secret State Police in any case.

2. Owing to the fact that at present these misdemeanors on the part of Soviet prisoners of war are particularly frequent, due, most likely, to their living conditions still being somewhat unsettled, the following temporary regulation comes into force; it may be amended later.

If a Soviet prisoner of war murders another prisoner of war in the camp, or commits manslaughter or any act not covered by German Penal Code laws, the perpetrator of the act is to be handed over to the Head of the Security Police.

Also, if a Soviet prisoner of War commits any other punishable offense, the Commandant of the Camp must hand the guilty man over to the Head of the Security Police, unless he is convinced that a disciplinary measure or legal punishment will cover the case, after it has been submitted to Court martial, and camp discipline will thus be maintained.

3. In cases 1 and 2 the prisoner of war is to be released from the POW camp, and the handing over to the Secret State Police is to be reported to the Army Information Office, provided an entry to that effect has already been made.

Distribution:

(C. in C. Army) (General Staff. Army) (Q.M.G))
O K H/ Gen. St. d. H. /Gen. Qu.) = 10
(Air Minister and C. in C. Air Force))
R d. L. and OB. d. L.) = 2
O K M (Navy G.H.Q. Admiralty) = 2
W. Kdo. I, II, III, IV, V, VI = .95
(6) (14) (14) (15) (14) 21

p.p.
Chief of the High Command
[signed] REINECKE

Copy

Berlin

The Head of the Security Police
and the SD
B. No. 2103 B/41 g – IV A 1 c –

11th December, 1941

Secret!

Express Letter!

Re: Treatment of Soviet Prisoners of War.

Proceeding: Operational Order No. 8. Decree of the Head of the Security Police and the SD of the 17.7.41—21 B/41 g'Rs.—

Enclosures: 1 enclosure.

I enclose herewith a copy of a decree issued by the OKW (German High Command) dated 22-11-41—Az. 2 f 24 19m AWA Prisoner of War (16) No. 3624/41 secret.—for your kind attention.

I hereby decree as follows, to come into force at once:—

1. All Soviet prisoners of War, who come under paragraphs 1 and 2 of the above-mentioned decree of the OKW, are to be taken over by the State Police Control Centres and the Operational Commands of the Security Police and the SD respectively, as soon as the Wehrmacht brings them in.

2. Soviet prisoners of War, who committed no crimes during an escape (such as attacks, robbery, murder, manslaughter, etc) and who have not been found unmanageable according to the directives issued (see Decree dated 17-7-41—21 B/41 g'Rs) and provided the place of their arrest is on Reich territory or on that of the General-Government (of Occupied Polish Territories)—are to be sent to the nearest concentration camp or the Prisoner of War Labor camp Lublin, situated on General-Government territory, for compulsory labor.

Operational groups in the Line of Communications area (in the rear of the Army) must adopt measures suitable to local conditions.

Otherwise, when dealing with these cases, I direct you to observe the directives and supplements to operational order No. 8.

Please give the Operational commands instructions to that effect and forward the enclosed copies on to them, for perusal.

The Head of the Police Force has had a copy of this decree and has been requested to pass these instructions on to subordinate Service Stations.

Distribution:

To all State Police Control Centres.

To the Commander of the Sipo (Security Police and SD in *Metz.*

To the Commander of the Sipo (Security Police and SD in *Strassburg*

To the Commander of the Sipo (Security Police and SD in *Oslo*

To the Chief Liaison Officer, to the commandant of Prisoners of War Camps in the General-Government. *Lublin*

To the Officer commanding the Sipo and the SD in *Lublin*

To the Officer commanding the Sipo and the SD in *Krakow*

To the Officer commanding the Sipo and the SD in *Warsaw*

To the Officer commanding the Sipo and the SD in *Radom*

To the Officer commanding the Sipo and the SD in Lemberg

To the Chief Liaison Officer to the Commandant of Prisoner of War Camps in Military Administrative district I Koenigsberg

To the Operational Commander of the Sipo and the SD attached to the AOK (Army Head Quarters Staff) in NORWAY, Command Port Finland.

To *Operational Group A*

SKDO	1a, (Schutz Kommando)
SKDO	1b,
SKDO	2
EKDO	3

Operational Group B

SKDO	7a
SKDO	7b
EKDO	8
EKDO	9
SKDO	"Moscow"

To *Operational Group C*

SKDO	4a
SKDO	4b
EKDO	5
EKDO	6

To *Operational Group D*

SKdo	10a
SKdo	10b
EKdo	11a
EKdo	11b
EKdo	12

To the Senior SS and Police Leaders, North (101)

To the Senior SS and Police Leaders, Midland (102)

To the Senior SS and Police Leaders, South (103)

To the Senior SS and Police Leaders, z. b. V. (for special employment)

For information:

To the Reich Leader of SS troops and Head of the German Police Force.

To the Head of the Sipo and the SD,
To the Heads of Administration I, II, III, IV, V, VI and VII.
To the Report Centres IV D 2 and IV D 3
To the Section leader IV D-SS-O.-Stubaf. Dr. Weinmann
To the Reich Leader SS—Inspector of Concentration camps *Oranienburg*
To all Senior SS and Police Leaders (except The Hague)
To all Inspectors of the Sipo and the SD
To the Officer Commanding the Sipo and the SD in *Veldes*
To the Officer Commanding the Sipo and the SD in *Marburg/Drau*
To all Criminal Police Control Centres.

[signed] Heydrich

Certified:
Signed: Signature (D.S.)
Chancellery Staff Official

Reich Leader of SS Troops
Inspector of Concentration Camps—
POL/AZ: 14 B 18/12.41/L/Ot:—
Secret Report No. /41

Oranienburg,
15th December, 1941

Re: Treatment of Soviet Prisoners of War
(Decree of the Head of the Security Police)

Reference: Erl. d. Ch.d. Sipo and the SD B. No. 2103 B/41 g IV A 10 of 11th December, 1941.

Enclosures: 1

Secret!

To the Commandants of Concentration Camps.

Bu., Da., Sah., Flo., Mau., Neu., Au., Gr.-Ro., Natz., Nie. and POW camp Lublin.

Attached copy of a Decree issued by the Head of the Security Police and the SD concerning the treatment of Soviet Prisoners of War is being forwarded for perusal.

per pro
[illegible]
SS Obersturmbannfuehrer

D–569

The Reichsfuehrer SS.
The Inspector of Concentration Camps
POL/Az. 146 18/12 41/L /Ot

Oranienburg, 16 Dec. 1941
SECRET

Secret Journal No. /41.

Concerns: Cash confiscated from Soviet Russians condemned to be executed.

Reference: Ch. d. Sipo u.d. SD (Chief of the Security Police and of the Security Service)
B. No. 2102 B/41 g—IV A 1c. 3rd December, 1941.

Enclosures: —/—

To the Camp Commandant of the Concentration Camp:—
DA., SAH., BU., FLO., MAU., NEU., AU., GRO.-RO. = Dachau, Buchenwald, Auschwitz, etc.)

The Chief of the Security Police and the Security Department decrees under the above Reference Number that all cash confiscated from Soviet Russian condemned to execution in the camps is to be forwarded through the Administration of the Concentration Camp to the Chief of the Security Police and the Security Service—Accounts Branch, 8 Prinz Albrecht Street, Berlin, S.W. 11.

[signature illegible]

Copy of a Copy

Army High Command
Az 2 f 24 19m AWA/ Prisoners of War (16)
No. 4411/41 Secret (X)

Berlin—Schoeneberg 29.12.41
Badensche Str. 51.

Concerns: Carrying out of death penalty on Soviet Russian Prisoners.

In a case where Soviet Russian Prisoners of War have been condemned to death by the verdict of the Army Court Martial, and the verdict is to be carried out by hanging, doubt has arisen as to who should be called upon to act as executioner for carrying out the punishment.

In order to settle this doubt for future cases the following has been decreed:—

Should a death sentence against a Soviet Russian prisoner of war have to be carried out by hanging, the Commandant of the prisoner of war camp concerned should select from among the Soviet prisoners of his camp a person suitable for carrying out the sentence, who will be compensated in some way (money, food etc.) for his trouble.

If nobody is to be found among the prisoners who is willing to do this, the condemned man is to be handed over to the nearest office of the Secret State Police (Gestapo), as they are likely to be in a position to have the sentence fulfilled by foreign prisoners.

Members of the German armed forces will not be called upon to carry out the sentence.

On behalf of the Chief of the Army High Command

[signed] Reinecke.

f. d. R.d. A.
[signed] WINTER [seal]
Official of the Chancellery
f.d. R. d. A.
[signature illegible]

Copy

To the Chief of the Security Police and the Security Dept.
IV A. 1. c. B No. 2279 B/42g

Berlin, 18th February, 1942.

Express Letter SECRET

Concerns: Carrying out of the death sentence on Soviet Russian Prisoners of War
Preamble None
Enclosures -1-

I am forwarding herewith a copy of the Order of the Army High Command of 29.12.41—Az 2 f 24, 19m AWA—Prisoners of War (16) No. 4411/41 Secret (X) concerning the carrying out of the death sentence on Soviet Russian Prisoners of War for your information.

In order to exclude all doubt I decree that:—

1. The carrying out of death sentences passed by Army Courts Martial on Soviet Russian Prisoners of War must in no case be effected by the members of the Security Police or the Security Service.

2. Soviet Russian prisoners of war handed over by the Army in such cases are to be hanged by other prisoners of foreign nationality, in agreement with the Camp Commandant either at the camp of origin or at the nearest adjacent camp. The Commandant of the camp in question is to be given instructions to this effect if occasion should arise. The result is to be reported briefly to me.

I request that the leaders of all operational Commands be instructed to this effect, and send you the enclosed additional copies to be passed on to them for daily use.

Signed on behalf of Mueller
[Seal] witnessed [signed] Winter
(Chancellery official)

SS OFFICE OF THE CHIEF DIRECTIVE Oranienburg, 20th Feb. 1942
The Inspector of Concentration Camps
Pol./ Az.: 14 f 14 /L/ Ot:-
Secret journal No. 105/42

Concerns: Carrying out of the Death Penalty on Soviet Russian Prisoners of War
Reference Chef der Sipo und des SD. IVA 1 c B. No. 2279 B/42g. of 18.2.42.
Enclosures —2—

SECRET

To the Camp Commandant of the Concentration Camp.
DA, SAH, BU, MAU, FLO, NEU, AU, GRO.-RO. (Buchenwald, Dachau, Auschwitz, etc).
To the Commandant of the Prisoner of War Camp; Lublin.

The attached copy of the letter of the Chief of the Security Police and of the Security Service IV A 1 o B No. 2279 B/42 g of 18.2.42 and copy of the letter of the German High Command Az: 2 f. 24 19m AWA/ Prisoners of War (16) No. 4411/41 Secret (X) of 29.12.41 are forwarded for information.

[signature illegible]

SS Economic Administrative Head Office Oranienburg, 13.6.42.
Department Group D—Concentration Camps
D I/1 File: 14 b 18/L/Ot.
Secret journal No. 385/42

Secret.

Concerns: Transmission of notices of the death of Soviet prisoners.
Reference: RSHA—IV A 1 o—B. No. 9017/42 of 11.6.42.
Enclosures: —/—

To the Camp Commandants of the Concentration Camps.
DA., SAH., BU., MAU., FLO., NEU., AU.,GR.-ROSEN, NATZW., NIE., STU., ARB., RAV and Prisoners of War Camp, Lublin.

A Camp Commandant has notified the Supreme Command of the Armed Forces of the execution of Soviet prisoners of war by means of a death announcement. This was returned by the Supreme Command of the Armed Forces with the request to send a new communication on neutral separate sheets.

As, upon Soviet prisoners of war being passed on for execution, their release as prisoners of war automatically follows, there is no question of such a notification being necessary.

Executions of Soviet prisoners of war are, as hitherto, only to be notified to the Office charged with arranging the execution and to the Chief of Department Group D in the SS Economic Administrative Head Office.

Death notices are, in accordance with instructions, only to be sent out for deceased Soviet prisoners of war who were delivered over by the Supreme Command of the Armed Forces (Stalags) to the prisoners-of-war labour camps of the Armed Forces, to the Services Casualties Information Office.

The Chief of the Central Office
Signature
Lieutenant Colonel of SS Troops.

SS Economic Administrative Head Office
Department Group D
Concentration Camps

Oranienburg, June 27, 1942.

DI/File: 14 f I/L./Ot.—
Secret journal No. 428/42
Concerns: Carrying out of executions by prisoners
Reference: RSHA., B.—No. IV—240/42 Secret Rs. of 25.6.42.
Enclosures: —/—

15 Copies
Secret Reich Matter.

To the Camp Commandants of the Concentration Camps.
DA., SAH., BU., MAU., FLO., NEU., AU., GR.-RO., NATZ., NIE., STU., ARB., RAV., *Prisoners of War Camp, Lublin.*

The Reich Leader of SS Troops and Chief of the German Police, in modification of his previous instruction, has ordered that Polish or Soviet-Russian prisoners in concentration camps, who have to carry out executions of their fellow countrymen, are no longer to receive 5 Reichsmark, as formerly, but only 3 cigarettes.

In future, the above order of the Reich Fuehrer is to be followed.

Signature.
SS Major-General and Major-General of Arms.

D-569

SS Economic Administrative Head Office
Department Group D
Concentration Camps

Oranienburg, Feb. 11, 1943.

D I/1 /File: 14 c 2 /Ot./ U.—
Secret Journal—No. 111/43

Secret

Concerns: Prisoners who come under the "KEITEL—Decree".
Reference: The present circular decree D I/File: 14 c 2/Ot./U.— Secret journal—No. 551/42 of 18.8.42.
Enclosures: None.

To the Camp Commandants of the Concentration Camps.
DA., SAH., BU., MAU., FLO., NEU., AU., GR.-RO., NATZ., NIE., STU., HERZ., RAV., and Prisoners of War Camp, Lublin.

From the Camp Commandant of a Concentration Camp, the wife of a deceased French prisoner, who was expressly mentioned in the dossier as prisoner in the matter "PORTO" [postage ?], the death certificate was sent direct to the wife, so that she would receive information of his death.

I once again draw attention, with special emphasis, to the fact that the extract from the Night and Fog Decree sent with the above referred to secret communication is to be most strictly followed. The object of the Night and Fog Decree is to leave third persons in the Occupied Territories in uncertainty as to the whereabouts of prisoners transferred to the Reich. This also includes the fact that the relatives may not learn anything when such prisoners die in concentration camps.

The whole of the correspondence concerning prisoners who come under the Night and Fog Decree is to be carried out exclusively with the competent office of the Security Police as "Secret". Neither any civilian persons nor any other offices are to learn anything regarding the whereabouts of Night and Fog Decree prisoners.

It is the duty of the Camp Commandants to see that the above order is carried out.

The Chief of the Central Department
SIGNATURE
Lieutenant-Colonel of SS Troops.

S. S. Economic Chief Administration Office
Branch Office "D"
Concentration Camp.

Oranienburg, 7th June 1943

SECRET

D I/1 /Az.: 14 c 2/Ot/B
Secret Journal No. 743/43.

Concerns: Treatment of Prisoners under the "NN" (Night & Fog) Decree.

Reference: Reich Security Office IV c 2 Gen. No. 103/42 g of 31.5.43.

Enclosures: None.

To the Camp Commandant of the Concentration Camp.
Da., Sah., Bu., Mau., Flo., Neu., Au., Gr-Ro., Natz., Stu., Rav., Herz., Ri., Lub. and Zil-Bergan, Belsen.

The following decree of the Reich Security Head Office concerning treatment of "N.N." (Night & Fog) prisoners is sent for information and strictest observance.

The "N.N." decree is intended to eradicate all forces inimical to Germany in the Occupied Territories and to effect their transfer to the Reich. The relatives and the population are to be kept in uncertainty as to the fate of these persons. In order to achieve this, the "N.N." prescribes that the receipt of all letters, mail or parcels, permission for interviews and issue of information is forbidden for this class of prisoner. It is immaterial whether the "N.N." prisoner is of the old or new style. "N.N." prisoners, old style, are those who have been handed over by the military courts to the directional centres for transfer to the Reich, whereas the new style "N.N." prisoners are those who have been transported to the concentration camps within the Reich direct by the Arrest Service of the Security Police and the Security Service, without the participation of the military courts.

The competent offices of the Security Police and Security Service have received instructions to fill in a form concerning every prisoner coming under the "N.N." regulation, specifying the particulars, racial origin, reason for arrest, former place of residence and other data of interest, and to forward it to the eventual concentration camp. These forms must be furnished with the "Nacht und Nebel" stamp [Night & Fog].

On receipt of the reports of the Security Police and Security Service Offices, with the forms attached, a collective order for arrest will be issued from here (i.e. Head Office) and the offices will be further instructed to transfer the prisoners to a concentration camp.

Where "N.N." prisoners of German race are concerned, these will be directed exclusively to the Natzweiler Concentration Camp. In all other cases the *"N.N." prisoners* will be allocated to any other concentration camp, according to the location of the allocating Office of the Security Police or the Security Service, and with relation to the graded participation and available accommodation of the various camps.

The Camp Commandants of the Concentration Camps already containing "N.N." prisoners will immediately proceed with the examination of these prisoners from the point of view of their racial origin, and will transfer the "N.N." prisoners of German origin to the Natzweiler Concentration Camp. Compliance with this instruction will be reported in every individual case on the appropriate form. The Camp Commandant of the Natzweiler Concentration Camp will see to it that the "N.N." prisoners are accommodated separately from the other prisoners. For the rest the principles of the RSHA—Reference IV D 4—sent with Secret Letter No. 551/42 of 18th August 1942, will be applicable.

It is further ordered—as already decreed by Circular of 11.2.43—Secret Journal No. 111/43—that announcements of deaths of "N.N." prisoners will be issued *only* to the office of the Security Police or Security Service allocating the prisoner, to the RSHA, and to the local Office, in order to prevent the whereabouts of "N.N." prisoners from becoming known. In this respect the regulations issued for procedure to be observed in cases of death, particularly the notification of relatives, are cancelled. The effects of a deceased "N.N." prisoner will be sent without exception to the Office of the original allocation of the prisoner, which will keep them in their care until further orders.

The Chief of the Central Office
[signature illegible]
SS Obersturmbannfuehrer

SS Head Office for Economic Administration
Chief of branch office D
—Concentration Camps— Oranienburg, 22.2.44.
D I/ File No. 14 c 2/Ot/S.—
Secret Journal No. 205/44 *Secret*

Regarding: Prosecution of punishable offenses against the Reich or against the occupying power in occupied territories (Night and Fog decree).

Reference: Head Office for Security of the Reich—IV D 4—103/42 secret.

Enclosures: None.

To the Commander of the concentration camps
Da., Sah., Bu., Mau., Flo., Neu., Au I—III, Gr.-Ro., Natz., Stu., Rav., Herz., Lubl., War., Group Leader D. and transmit camp Ber-Bels.

According to information from the Head Office for the Security of the Reich, the Minister of Justice has, by decree to the legal authorities of the 6.3.1943 journal No. IV a—398/43 secret i.a., ordered the following:

"7. The corpse of executed or otherwise deceased "Night and Fog" Prisoners is to be handed over to the State police for burial. Attention is drawn to the appropriate instructions in regard to secrecy. In this connection it is necessary to take special care that the graves of NN prisoners should not be marked with the names of the deceased.

Corpses are not to be given up for instruction and experimental purposes."

The corpses sent to concentration camps by Gestapo head offices for cremation are to be taken over and cremated.

In order to do this the following order is issued:—

1. The above mentioned cases must figure in the lists of the camp crematories.

2. The ashes are to be kept in an urn and the lids to bear inscriptions.

3. The urns are to be stored in the concentration camps until further notice.

4. Death certificates are to be made out by the camp registries and to be sent to the Commander of the Security Police and of the Security Service in Paris with the remark that they belong to deceased Night and Fog prisoners.

[signature illegible]
SS Group leader and Lt. Gen. of Arms SS.

BRITISH DIPLOMATIC PAPERS

Further Correspondence Respecting Czechoslovakia

No. 22

Mr. Newton [British Minister in Prague] to Viscount Halifax—
(Received March 24.)

(No. 129) Prague, March 21, 1939.

My Lord,

I have the honour to inform you of an account which I have just received of the events leading up to the declaration of the independence of Slovakia. Hitherto, to me in Prague at any rate, these events have been shrouded in obscurity. The following report, which has been given to me by a reliable friend with excellent sources of information, shows how involuntary was the declaration of independence, and throws a further lurid light on the gangster methods employed by the Reich to obtain its ends in Czecho-Slovakia.

2. On M. Sidor's return to Bratislava, after he had been entrusted with the Government in place of Mgr. Tiso, Herr Buerckel, Herr Seyss-Inquart and five German generals came at about 10 p.m. on the evening of Saturday, the 11th March, into a Cabinet meeting in progress at Bratislava, and told the Slovak Government that they should proclaim the independence of Slovakia. When M. Sidor showed hesitation, Herr Buerckel took him on one side and explained that Herr Hitler had decided to settle the question of Czecho-Slovakia definitely. Slovakia ought, therefore to proclaim her independence because Herr Hitler would otherwise disinterest himself in her fate. M. Sidor thanked Herr Buerckel for this information, but said that he must discuss the situation with the Government at Prague.

3. Early on the following Sunday morning Mgr. Tiso requested that a meeting of the Cabinet should be held at 8 a.m. M. Sidor agreed, but said that the meeting must not take place in the building ordinarily used because that was guarded by the German Ordner and was also too close to the bridge across the Danube. The Cabinet accordingly met in his private apartment, when M. Sidor proposed that the Government should move to Trnava, since Bratislava was too much under German control. The chief of police, M. Klinovski (who has since been appointed Slovak Minister at Warsaw), thereupon reported that he could not accept responsibility for this move, as the road to Trnava was guarded by the German Ordner. At the same time news was received that an attempt against M. Sidor was in preparation, so

the Cabinet went to hold their meeting in the offices of the newspaper Slovak.

4. Mgr. Tiso attended there, and said that he had received a telegram by the hand of Herr Buerckel inviting him to go at once to see the Fuehrer in Berlin. He had to accept this invitation because Herr Buerckel had informed him that otherwise the two German divisions on the other side of the Danube would occupy Bratislava and the Hungarians would be authorized to seize not only Ruthenia, as had already been agreed to by Berlin, but also Eastern Slovakia. Mgr. Tiso explained that he proposed to leave by train early Monday morning and did not, therefore, expect to be back before Tuesday evening. This would have given time for Prague and Warsaw to be consulted, but so soon as Mgr. Tiso arrived in Vienna that day in preparation for an early departure the following morning, he was escorted into an aeroplane and informed that he was to proceed in it to Berlin at once, as Herr Hitler awaited him.

5. While the Cabinet was in session on the following Monday afternoon Mgr. Tiso telephoned to them in German saying that he was speaking in Berlin from the office of the Fuehrer, who was attended also by Herr von Ribbentrop, Baron von Neurath and General Brauchitsch. He had orders to request the Cabinet to summon a meeting of the Slovak Parliament for the following Tuesday morning at 10 a.m. So soon as he was satisfied that his message had been understood he rang off. Mgr. Tiso must have returned by aeroplane during the night, as he arrived back in Bratislava at 4 a.m. on Tuesday morning. He told the Slovak Ministers that he had been received first by Herr von Ribbentrop and then by Herr Hitler. Herr von Ribbentrop had informed him that Herr Hitler was considerably roused because M. Sidor's Government appeared to be co-operating with the Czechs. This was contrary to the intention of the Vienna Award, which had been based on the principle of nationality and therefore of Slovak independence. The Fuehrer concluded Herr von Ribbentrop, will tell you the rest. Herr Hitler subsequently expressed himself somewhat as follows:—

"At Munich I did not take Bohemia and Moravia into the German territorial sphere ('Lebensraum'). I left the Czechs only another five months, but for the Slovaks I have some sympathy. I approved the Award of Vienna in the conviction that the Slovaks would separate themselves from the Czechs and declare their independence, which would be under German protection. That is why I have refused Hungarian demands in respect of Slovakia.

As the Slovaks appear to be agreeing with the Czechs it looks as though they have not respected the spirit of the Vienna Award. This I cannot tolerate. To-morrow at mid-day I shall begin military action against the Czechs, which will be carried out by General Brauchitsch" (who was present and to whom he pointed). "Germany," he said, "does not intend to take Slovakia into her 'Lebensraum,' and that is why you must either immediately proclaim the independence of Slovakia or I will disinterest myself in her fate. To make your choice I give you until to-morrow mid-day, when the Czechs will be crushed by the German steam-roller."

Herr Hitler then dismissed Mgr. Tiso, saying that he could arrange any other matters with his staff.

6. While Mgr. Tiso was informing the Slovak Cabinet of these communications at about 8 a.m. on the Tuesday morning, the Deputies began to assemble. Meanwhile, it was found that communication with Prague had been interrupted. At the meeting of the Deputies Mgr. Tiso read the text of the law proclaiming the independence of Slovakia, which had been given to him by Herr von Ribbentrop already drafted in Slovak. When the Deputies wanted to discuss the matter the leader of the German minority, Herr Karmasin, warned M. Sidor that the German occupation of Moravska-Ostrava would begin that day at noon, and that he should be careful lest Bratislava suffered similar treatment. The Government thereupon left the decision to the Deputies, who protested in dismay and great distress at this treatment, but finally decided that they had no option but to vote in favour of the declaration of independence.

7. I have sent a copy of this despatch to His Majesty's Chargé d'Affaires in Berlin.

I have, &c.
BASIL NEWTON.

COPY OF DOCUMENT D–572

BRITISH DIPLOMATIC PAPERS
Further Correspondence Respecting Czechoslovakia
Enclosure in No. 23.
Consul Pares [British Consul in Bratislava] to Mr. Newton
[British Minister in Prague]

Bratislava, March 20, 1939

(No. 10)
Sir,

I have the honour to report that whatever may have been the origins of the crisis which led up to the declaration of Slovak independence last Tuesday—and there are many persons who are convinced that the Czech *coup* on the night of Thursday, the 9th March, was the result of German prompting—it has been obvious here that Germany played the most important part in the development of events after the crisis had begun. On the afternoon of Friday the German party held a large meeting here in which the speakers bitterly attacked the Prague "Bolshevists." The sympathy of the party with the Hlinka guard, then in opposition to the Government of Sivak and Teplansky, was openly displayed by hanging out the flag of the Hlinka guard from the balcony of the headquarters of the German party between those of the German party itself. Yesterday one of the semi-official organs of the Government, *Slovenska Pravda,* printed a leading article in which it was frankly stated that Karmasin was with Dr. Tiso, Durcansky, Sidor and one of Mach's close associates during the first discussions held by the Slovak autonomists on Friday morning after the Czech *coup*. How little the Slovak population of Bratislava interested itself in the first day's events was indicated by the small number of persons who took part in the first demonstrations during the afternoon. The participants were an evil-looking rabble of the lowest possible type equipped with heavy poles, and the speakers who addressed them from the balcony of the Slovak National Theatre were little better. During the evening the Hlinka guard organized processions composed of less disreputable elements, mainly students and young men.

2. Besides affording Durcansky a refuge in Vienna and allowing him to incite the Hlinka guard to revolt against Sidor's Government in a speech broadcast by the Vienna wireless station, the German party are believed to have protected Murgas in their headquarters when he was fleeing from the Government's agents. The car of the German Consul here is said to have been used to convey Durcansky to Vienna in order to enable him to escape arrest when crossing the bridge-head into Germany. On Saturday, when Sidor's Government was trying to reconcile the various Opposition groups, the German party did their utmost to weaken him by refusing to recognize the Government, and by assisting its opponents in the Hlinka guard, with publicity for their denunciations and incitements to disobedience. During the afternoon arms and ammunition, believed to be of German type and brought over the bridge and even across the river were distributed to the German organization F.S. (Freiwilliger Schuetzdienst) who then occupied the principal Government building together with some members of the Hlinka guard. An English

journalist who visited the building said that the proportion of Germans to Slovaks was about twelve to one. An endeavour was also made by the German party to arrange a strike in local factories as I have heard from the manager of a mill here, but without success.

3. But it is doubtful if these efforts to create confusion and assist the Germanophil extremists would alone have produced results. The decisive factor was undoubtedly Dr. Tiso's visit to Berlin. I have talked with several Slovak-officials, and also with one of Dr. Tiso's intimate advisers, and have been given to understand that the proposals made by Herr Hitler were practically an ultimatum. Dr. Tiso was told that if Slovakia did not declare her independence Germany would leave her to the tender mercies of Poland and Hungary. It is certain that on Monday night, before the Slovak Diet met, German journalists, who doubtless obtained their information from the best sources, were announcing that the decision regarding Slovak independence could not be altered by the paltry deliberations of the Slovak Diet. Sano Mach, in a speech delivered the same evening, practically promised that Slovak independence would be declared the next day. I have even heard that there was no debate in the Diet since the Deputies felt that they had no choice but to accept the terms offered them. A speech made by Dr. Tiso last Sunday, in which he said that his journey to Berlin "saved Slovakia from certain ruin," appears to confirm the interpretation of events given above.

4. The reception given to the declaration on Tuesday by the people of Bratislava was lukewarm indeed. There were no manifestations of joy and the townfolk went about their normal business as if nothing had happened. This lack of interest was already apparent on the previous evening when I had listened to Mach's speech. The majority of the audience who collected to hear Mach announce that independence would be declared were Germans and some of the Slovaks present actually grumbled to themselves or heckled. In all, the crowd cannot have numbered more than 1,500 persons, which is a small figure for such an occasion in a town of 150,000 inhabitants. The methods by which the meeting was summoned are interesting. Sano Mach had been brought back from his confinement in Moravia by members of the German party and immediately after his return he had a conversation in my hotel with two of Karmasin's principal advisers. The leaflets announcing that he and Tuka would speak in the evening were printed in Slovak, but bore the name of a German firm of printers in Bratislava.

5. The German party has been implicated in one at least of the explosions which occurred on Monday evening after Mach's speech. The municipal commission which conducted the official enquiry found that the bomb used was of German manufacture, and a member of the German party who lives in Engerau across the river was arrested in connection with the outrage.

6. A week after the declaration of independence the inhabitants of Bratislava are still unable to show great enthusiasm for the present state of affairs. The general impression is one of apathy or pessimism. The apprehensions caused by the appearance of German troops in Slovakia have not yet been delayed. Last Saturday night a manifestation was arranged at which Tuka and Mach spoke. Apart from the school children and members of the youth organizations of the Hlinka guard, who were ordered to appear, the attendance was small. Most of the crowd seemed to have come out of curiosity which seem to have been quickly dispelled since in half an hour nearly all those who were free to go away had disappeared, leaving about 3,000 behind.

7. I noticed that Sidor, who has practically resigned from the cabinet, and is viewed with extreme disfavour by the Germanophils, received a far warmer ovation at this meeting than even Mach or Dr. Tiso. His name was not included on the list of speakers announced beforehand, but he spoke just before the end. The crowd demanded that he should not be made to leave Bratislava, but the truth seems to be that though he wanted to go north to Zilina he was ordered to remain by the Government.

8. The real power in the Government seems to be in the hands of a very small group. All the recent negotiations in Vienna have been carried on by a small consortium composed of Tuka, Durcansky and Mach who is not even a member of the Cabinet. Dr. Tiso usually goes with them, but it seems doubtful whether his voice counts for very much. The Cabinet, as constituted at first, seemed to be a Cabinet of concentration and reconciliation, but Sidor has now withdrawn and Sivak, who must certainly be equally if not more compromised in the eyes of his extremist colleagues, does not attend the meetings of the Cabinet very frequently. Pruzinsky is reported to be *persona non grata* with the Germans. The result is that the Germanophils now have the upper hand.

9. There are indications that this group may be embarking on a policy which will cause some embarrassment to the Polish and Hungarian Governments. Mach in his speech on Saturday night made some references to the Slovaks now living in Hungary, while yesterday's *Slovak* prints a telegram sent to Murgas

693260—46—7

by the commune of Javorina (occupied by Poland last November) in which he is entreated to set them free at once.

I have, &c.
P. PARES.

COPY OF DOCUMENT D–614

I, Sir David John Montagu-Douglas-Scott, K.C.M.G., a Deputy Under-Secretary of State for Foreign Affairs, hereby certify that the document attached hereto and marked "A" is a true copy of a statement, regarding the arrival of Rudolf Hess in Great Britain, made to Parliament on the 22d September 1943, by the Right Honorable Robert Anthony Eden, M.C., M.P., Secretary of State for Foreign Affairs, as appearing in Volume 392 (Fifth Series) of the Official Report of the House of Commons Parliamentary Debates.

[signed.] David Scott

Seal of
FOREIGN OFFICE
LONDON.
Foreign Office, London, S.W. 1.
9th November 1945.

"A"

Hess flew to Great Britain in a Me. 110, from which he landed by parachute in the evening of 10th May 1941, at Eaglesham in Scotland. He was wearing the uniform of a captain in the German Air Force. He gave his name as Alfred Horn and stated to the Home Guard and the police that he was on a "special mission" to see the Duke of Hamilton, and that he had intended to land at Dungavel, 12 miles distant from the spot where he landed. The prisoner was taken to Maryhill Barracks, and amongst his possessions were found photographs of himself and of a small boy, also the visiting cards of Dr. Karl Haushofer and Dr. Albrecht Haushofer, his son. No other documents or identifications were found on the prisoner.

On Sunday, 11th May, at 10 A.M., Wing-Commander the Duke of Hamilton arrived at Maryhill Barracks and visited the prisoner with the interrogating officer and the military officer on guard. At the prisoner's request the latter two officers withdrew. He then stated to the Wing-Commander that the latter had luncheon in his house in Berlin at the time of the Olympic

Games in 1936 and added, "I am Rudolf Hess." The Wing-Commander had no recollection of the prisoner and was not aware that he had ever seen or met Rudolf Hess. The prisoner then proceeded; "I am on a mission of humanity. The Fuehrer does not want to defeat England and wants to stop fighting."

His friend Haushofer, he stated, had told him that the Wing-Commander was an Englishman who would understand his point of view. He had tried to arrange a meeting in Lisbon. He had three times before tried to fly to Dungavel, the first time being in December 1940, but had been turned back by weather or various other reasons. He did not want to come during the time of British successes in Libya lest it should appear that it was the weakness of Germany which prompted the flight, but that now Germany had had some success there he was glad to come. He stressed that his presence showed his sincerity and the German willingness for peace. His main theme was that Hitler was convinced that Germany would win sooner or later; that he (the prisoner) wanted to stop the unnecessary slaughter. He asked the Wing-Commander to get together the leading members of *his* party to talk over things with a view to making peace proposals. He then stated that he could tell him what the Fuehrer's peace terms would be. The Wing-Commander pointed out that there was now only one party in Great Britain. The Wing-Commander immediately flew to London and reported this conversation, stating that, though he could not be sure, he believed the prisoner was, in fact, Rudolf Hess.

Mr. Kirkpatrick, of the Foreign Office, who had during the period of his official duties in Berlin before the war, become acquainted with Hess, was at once flown up to Scotland to identify the prisoner. He had three interviews, on the 13th, 14th, and 15th May. At the first of these he confirmed that the prisoner was Rudolf Hess. During these interviews Hess further elaborated the object of his visit. He stressed the enormous power of Germany in the air and in U-boats, which later, he stated, would grow much greater. He affirmed the certainty of England's defeat by blockade, if not very quickly, in the course of 2 or 3 years. He expressed his horror at the prospect of the prolongation of the struggle. He had come, he said, without the knowledge of the Fuehrer to convince responsible persons that, since England could not win, the wisest course was to make peace at once. He gave his word of honor that the Fuehrer had never entertained any designs against the British Empire, nor had he ever aspired to world domination. The Fuehrer would sincerely regret the collapse of the British Empire. Hitler had declared to him as recently as 3 May that he had no oppressive demands to make on England.

The solution which Hess put forth was as follows:

(i) That Germany should be given a free hand in Europe.

(ii) That England should have a free hand in the British Empire, except that the ex-German Colonies should be returned to Germany.

(iii) That Russia should be included in Asia, but that Germany had certain demands to make of Russia which would have to be satisfied either by negotiation or as the result of war. There was, however, no truth in the rumors that the Fuehrer contemplated an early attack on Russia.

(iv) That the British should evacuate Iraq.

(v) The peace agreement would have to contain a provision for the reciprocal indemnification of British and German Nationals, whose property had been expropriated as the result of war.

(vi) The proposal could only be considered on the understanding that it was negotiated by Germany with an English Government other than the present British Government. Mr. Churchill, who had planned the war since 1936, and his colleagues, who had lent themselves to his war policy, were not persons with whom the Fuehrer would negotiate.

Hess concluded by emphasizing that the Fuehrer really wanted a permanent understanding with Great Britain on a basis which preserved the British Empire intact. His own flight was intended to give Great Britain a chance of opening conversations without loss of prestige. If this chance were to be rejected, it would be the Fuehrer's duty to destroy Great Britain utterly and to keep the country after the war in a state of permanent subjection. These so-called "terms" were restated by Hess in a signed document dated 10 June. The only new point made in this document was the provision that a simultaneous armistice and peace must be concluded with Italy.

It was, throughout, made clear to Hess that there was no question whatever of any talks or negotiations of any kind taking place with Hitler or his Government. Hess has been dealt with as a prisoner of war since his arrival in this country and will so continue to be treated till the end of the war.

COPY OF DOCUMENT D-627

[Extracts from a dispatch from the British Minister in Copenhagen to the Foreign Secretary]

N 5040/5040/15

Mr. Howard Smith to Viscount Halifax

Foreign Office, 25 April 1940

My Lord, * * *

The actual events of 9 April have been pieced together by members of my staff from actual eye-witness or from reliable information subsequently received and are given below. Early in the morning towards 5 o'clock three small German transports steamed into the approach to Copenhagen harbor, whilst a number of airplanes circled overhead. The northern battery, guarding the harbor approach, fired a warning shot at these planes when it was seen that they carried German markings. Apart from this, the Danes offered no further resistance, and the German vessels fastened alongside the quays in the Free Harbor. Some of these airplanes proceeded to drop leaflets over the town urging the population to keep calm and cooperate with the Germans. I inclose a specimen of this leaflet, which is written in a bastard Norwegian-Danish, a curiously un-German disregard of detail, together with a translation. Approximately 800 soldiers landed with full equipment, and marched to Kastelle, the old fortress of Copenhagen and now a barracks. The door was locked, so the Germans promptly burst it open with explosives, and rounded up all the Danish soldiers within, together with the womenfolk employed in the mess. The garrison offered no resistance, and it appears that they were taken completely by surprise. One officer tried to escape in a motor car, but his chauffeur was shot before they could get away. He died in hospital 2 days later. After seizing the barracks, a detachment was sent to Amalienborg, the King's palace, where they engaged the Danish sentries on guard, wounding three, one of them fatally. * * * Meanwhile, a large fleet of bombers flew over the city at low altitudes, and surveyed the airdromes of Kastrup and Vaerlose. Kastrup, the civil port, was quite undefended, and the Germans landed several transports there, containing mostly staff officers and other officials. At Vaerlose, the military station, a number of Danish planes were assembled on the field. Two of these attempted to take off, but were shot down immediately. Shortly afterwards the Germans dropped a number of incendiary bombs and destroyed the hangars and aircraft. By 8 o'clock in the morning the Germans had control of all points of strategic value, and were rapidly consolidating their positions. * * * Meanwhile, other troops had been landed at Gedser and Korser. These proceeded rapidly northwards. Subsequently, a shore battery was erected at Kalundborg, and Roskilde was placed under martial law. * * * A large force was sent up to Helsingor and sentries were posted along the coast facing Sweden. * * *

It has been difficult to ascertain exactly what occurred in Jutland. * * * It is clear, however, that the enemy invaded Jutland from the south at dawn on 9 April and were at first resisted by the Danish forces, who suffered casualties. * * * The chances of resistance were weakened by the extent to which the forces appear to have been taken by surprise. The chief permanent official of the Ministry of War, for instance, motored into Copenhagen on the morning of 9 April and drove blithely past a sentry, who challenged him, in blissful ignorance that this was not one of his own men. It took a bullet, which passed through the lapels of his coat, to disillusion him.

COPY OF DOCUMENT D-628

EXTRACTS FROM THE MEMORANDUM CONCERNING GERMANY'S ATTITUDE TOWARDS DENMARK BEFORE AND DURING THE OCCUPATION, PREPARED BY THE ROYAL DANISH GOVERNMENT

"On the 9th of April, 1940 at 4.20 hours the German Minister appeared at the private residence of the Danish Minister for Foreign Affairs accompanied by the Air Attache of the Legation. The appointment had been made by a telephone call from the German Legation to the Secretary General of the Ministry for Foreign Affairs at 4 o'clock the same morning. The Minister said at once that Germany had positive proofs that Great Britain intended to occupy bases in Denmark and Norway. Germany had to safeguard Denmark against this. For this reason German soldiers were now crossing the frontier and landing at various points in Zealand including the port of Copenhagen; in a short time German bombers would be over Copenhagen; their orders were not to bomb until further notice. It was now up to the Danes to prevent resistance as any resistance would have the most terrible consequences. Germany would guarantee Denmark territorial integrity and political independence. Germany would not interfere with the internal government of Denmark, but wanted only to make sure of the neutrality of the country. For this purpose the presence of the German Wehrmacht in Denmark was required during the war."

"The Minister for Foreign Affairs declared in reply that the allegation concerning British plans to occupy Denmark was completely without foundation; there was no possibility on anything like that. The Minister for Foreign Affairs protested against the violation of Denmark's neutrality which according to the German Minister's statement was in progress. The Minister for Foreign Affairs declared further that he could not give a reply to the demands, which had to be submitted to the King and the Prime Minister, and further observed that the German Minister knew, as everybody else, that the Danish armed forces had order to oppose violations of Denmark's neutrality so that fighting presumably already took place. In reply the German Minister expressed that the matter was very urgent, not least to avoid air bombardment."

TRANSLATION OF DOCUMENT D-629

TOP SECRET

THE CHIEF OF THE HIGHER COMMAND OF THE WEHRMACHT

WFA/Dept. L No. 22126/40 g.k. (IV)

Berlin W 35, Tirpitzufer 72–76.
3d April 1940
2 copies
2d copy

To the Reich Minister for Foreign Affairs

Dear Herr von Ribbentrop,

The military occupation of Denmark and Norway has been, by command of the Fuehrer, long in preparation by the High Command of the Wehrmacht. The High Command of the Wehrmacht has therefore had ample time to occupy itself with all the questions connected with the carrying out of this operation. The time at your disposal for the political preparation of this operation is on the contrary very much shorter. I believe myself therefore to be acting in accordance with your own ideas in transmitting to you herewith, not only these wishes of the Wehrmacht which would have to be fulfilled by the Governments in Oslo, Copenhagen, and Stockholm for purely military reasons, but also if I include a series of requests, which certainly concern the Wehrmacht only indirectly, but which are however of the greatest importance for the fulfillment of its task.

I would request, in order to bring about complete agreement of action, that personal contact between the German Plenipotentiaries and the military Commanders appointed for Oslo and Copenhagen should be established as soon as possible. The entire direction of the military operation is in the hands of Inf. General v. Falkenhorst, Commander of group XXI. Under him, the occupation of Denmark will be directed by the High Command for special operations XXXI, C. in C. Air Force Kaupisch.

In accordance with the Fuehrer's specific instructions, may I furthermore request, that the number of persons participating in the preparations be restricted to the utmost. Apart from the Foreign Office and the High Command of the Wehrmacht, other higher Reich authorities and similar offices are not in principle participating. The necessary instructions to the Higher Reich Authorities will only be given on the day of occupation itself by the High Command of the Wehrmacht.

Heil Hitler,
Yours faithfully,
K. 3/4

TRANSLATION OF DOCUMENT D-630

[Extracts from B.d.U. War Diary, September 1942]

TOP SECRET

T.C.I.2100/17/9/42
T.O.O. 1924/17.
TRITON O.

To: All commanding officers.

1. No attempt of any kind must be made at rescuing members of ships sunk and this includes picking up persons in the water and putting them in lifeboats, righting capsized lifeboats and handing over food and water. Rescue runs counter to the rudimentary demands of warfare for the destruction of enemy ships and crews.

2. Orders for bringing in Captains and Chief Engineers still apply.

3. Rescue shipwrecked only if their statements will be of importance for your boat.

4. Be harsh, having in mind that the enemy takes no regard of women and children in his bombing attacks on German cities.

17th September 1942.

"2. The attention of all Commanding Officers is again drawn to the fact that all efforts to rescue members of the crews of ships which have been sunk contradict the most primitive demands for the conduct of warfare by annihilating enemy ships and their crews. Orders concerning the bringing in of the Captains and Chief Engineers still stand."

"America" W/T. service.

T.O.I. 0044/18/9/42.
T.O.O. 1930/17.
TRITONA

From: Schacht.

163 Italians handed over to "Annamite." Navigating officer of "Lyconia" and another English officer on board. 7 lifeboats with about 330 English and Poles, including 15 women and 16 children, deposited in naval grid square FE 9612. Women and children accommodated on board for one night. All shipwrecked persons given hot meals and drinks, clothes, and bandages where necessary, 4 more boats sighted lying to a sea anchor in naval grid square FE 9619. Both positions passed to "Gloire," which moved off immediately to search. Still 28 cubic meters, 20 days' provisions, 9 "eels," fully operationally effective.

"America" W/T service.

T.O.I.1217/20/9/42
T.O.O.1107/20.
TRITONA

To: Schacht.

Action as in W/T message of 17/9. was wrong. Boat was detailed to rescue Italian allies and not for the rescue of English and Poles.

PARTIAL TRANSLATION OF DOCUMENT D–631

1932 REICHSGESETZBLATT, PART I, NO. 36, PAGE 297.

Order of the Reichs-president against political excesses,
14 June 1932

In accordance with article 48 Para. 2 of the Reich-constitution the following order is made:

* * * * * * *

CHAPTER V

Transition and Final Instructions

Para. 29

(1) This order comes into operation from the day of announcement.

(2) It takes the place of * * *

6. The order of the Reich-president for the safeguarding of the State-authority, of 3d May 1932 (Reichsgesetzbl. I Page 175).

* * * * * * *

[Foot Note]

Order of the Reich-president for the safeguarding of the State-authority, 13th April 1932

In accordance with article 48 Para. 2 of the Reich-constitution the following order is made:

Para. 1

All organizations of a military nature, of the German National-Socialist Labor Party will be dissolved with immediate effect, particularly the Storm Detachments (SA), the Protective detachments (Schutzstaffeln) (SS.), with all additional staffs and other institutions, including the SA.-Observer, SA.-Reserves Motorized Storm Detachments, Marine Storm Detachments, Mounted Storm Detachments, the Air Corps, the Motor Corps, Medical Corps, Schools for training Leaders (Feuhrerschulen), the SA. Barracks and Workshop Detachments.

Para 2

(1) Any article, serving a military purpose, or intended to serve as such, which at the time of disbanding was in possession of any of the disbanded organizations or member thereof, can be assured by the police. This must be carried out on the demand of the Minister of the Interior. * * *

TRANSLATION OF DOCUMENT D-632

INTERNATIONAL BIOGRAPHICAL ARCHIVES
[Internationales Biographisches Archiv]

26. 10. 44.

FRANZ von PAPEN
(German Statesman)

Franz von Papen was born in Werl, Westphalia on 29 October 1879. He went through the officer's course and was appointed Lieutenant in the 5 Lancer Regiment, Dusseldorf, on 15 March 1898. After attending the Military Academy, he was transferred to the 1st Uhlan Guards Regiment in the spring of 1911 and attached to the General Headquarters Staff, where he was promoted to Captain on 22 March 1913. Shortly afterwards he was appointed Military Attache at the Embassy in Washington and was ordered to the Embassy in Mexico. After the outbreak of World War, he was instructed to create the greatest difficulties to American munition transports. As a result of a complaint made by the American Secretary of State, Mr. Lansing, von Papen was finally recalled to Germany in the late autumn of 1915. His luggage was seized on the return journey contrary to international law and a number of documents confiscated from which it was attempted to prove him guilty of sabotage.

Von Papen was then appointed officer on the General Staff with the 4th Guards Infantry Division on the Somme and other sectors on the Western Front as well as Battalion Commander and he was promoted to Major on 16 September 1917.

Later he became General Staff Officer to the 4 Turkish Army under Liman von Sanders. The rumors which appeared in the press during the election propaganda in 1932, that in 1917 Papen arrested General Liman, when the latter was ill, and undertook on his own the seizure of Jerusalem, have been described as fully untrue by Papen in a letter written to the Marshal's widow.

After the collapse he took to politics. Being a Catholic, he joined the Center Party [Zemtrum] and was a deputy in the Prussian Parliament [Landtag] from 1921 to 1928 where, on the extreme right wing of the Center, he used to upset the party leader. Owing to this he got himself into increasing opposition to the leaders of the party who struck his name off the list of candidates for the Prussian Parliament elections on 24 April 1932. Nevertheless, as one of the main shareholders of the "Germania," he succeeded in switching the paper's ideology more and more to the right.

At this moment the Bruening Cabinet resigned and he was appointed to form the new cabinet. Kaas who was at that time Head of the Center Party, was not willing to give his consent to it. But at a special wish of the President of the Reich, von Hindenburg, and after leaving the Center Party and after resigning the presidency of the Supervision Board of the "Germania" on 1 June 1932, he formed the new Cabinet in the beginning of June 1932, which caused immediately a strong opposition of the Center Party. The NSDAP also soon went into opposition to the "Baron's Government," so that the new cabinet had actually only the support of the German Nationals and a part of the People's Party [Volkspartei]. In spite of that it was a favorable condition for Adolf Hitler's seizure of power. One of the first of Papen's official actions was the removal of the Braun-Severing Prussian Government and the union of the ruling power of the Reich and Prussia in his hand, in Prussia as Reich-Commissar (20/7/1932). Von Papen was also the first German Chancellor, who on 28 June 1932 at a conference in Lausanne, where the German political debts were practically buried, had the courage to oppose the discrimination of Germany. The Reichstag elections of 31 July which were the result of von Papen's disbandment of the Reichstag on 4 June, strengthened enormously the NSDAP so that von Papen offered to the leader of the now strongest party his participation in the Government as Vice-Chancellor. Adolf Hitler rejected this offer on 13 August.

The new Reichstag which assembled on 30 August was disbanded by the 12 September. The new elections brought about a considerable loss to the NSDAP but did not strengthen the Government Parties so that Papen's Government retired on 17 November 1932, after unsuccessful negotiations with the party leaders. After the new Government had been formed by the Reichswehrminister, von Schleicher, the President of the Reich wrote to the retiring Reich Chancellor a farewell letter expressing his special acknowledgment (press of 5 December 1932).

The meeting with Hitler which took place in the beginning of January 1933 in the house of the banker, Baron von Schroeder, in Cologne is due to his initiative although von Schroeder was the mediator. Both von Papen and Hitler made later public statements about this meeting (press of 6 January 1933). After the rapid downfall of von Schleicher on 28 January 1933, the Hitler-von Papen-Hugenberg-Seldte cabinet was formed on 30 January 1933 as a Government of national solidarity. In this cabinet von Papen held the office of Vice-Chancellor and Reich Commissar for Prussia. This Government issued on 1 February, a proclamation to the German people. In the election of 5 March 1933 von Papen was elected as a candidate of the "Kampfbund Schwarz-Weiss-Rot" and later in the election of 12 November 1933 as a candidate of the Joint-List. After the nomination of provincial Governors [Reichstatthalter] Papen left by his own request the appointment as Reich Commissar for Prussia on 11 April 1933. But as Vice-Chancellor he was still at the Fuehrer's disposal for special tasks. Thanks to his repeated visits to Rome, he prepared, for instance, the Concordat between Germany and the Roman press. The concordat was signed on 8 July 1933.

Owing to the decision of the Cabinet on 15 November 1933, a new task was given to von Papen, namely he was appointed Saar Plenipotentiary of the Reich Government. A strong emphasis of his union with Hitler induced Hitler to write to von Papen on 27 July 1934 on the occasion of the planned appointment of von Papen as Minister Extraordinary in Vienna responsible only to the Reich Chancellor. The document of his appointment and the handwritten letter to von Papen bear the last signatures of the Reich President von Hindenburg given by him before his death on 2 August 1934. Before his departure to Vienna, he brought the Reich Chancellor the political testament of the late Reich President which had been given to him by the son of the President. The testament was published on 16 August 1934. On the same day, Papen presented his credentials in Vienna. On 14 July 1936 he concluded an agreement between Germany and Austria which seemed to clear the way for a complete elimination of all difficulties. After that the Fuehrer appointed him on 27 July 1936 to Plenipotentiary Minister Extraordinary on a special mission. Then, when the Austrian Chancellor [Bunderkanzler] von Schuschnigg negotiated with the Fuehrer in Obersalzberg about new methods which were to insure a better effectiveness of the agreement of 14 July 1936 and when seemingly a new agreement between the two Governments was reached on 12 February 1938, von Papen was recalled from Vienna in February 1938. After the events of March 1938 which caused Austria's incorporation into the German Reich, von Papen had the satisfaction to be present at the Fuehrer's side when the entry into Vienna took place having just been admitted on 14 February 1938 into the Party in recognition of his valuable collaboration and having received the Golden Party Badge from the Fuehrer. At first, von Papen retired to his estate Wallerfangen in the Saar district but soon the Fuehrer required his services again in that he on the 18 April 1939, appointed von Papen German Ambassador in Ankara. After the conclusion of the German-Russian Non-Aggression Pact at the end of August 1939, the southeast European press wrote that since the beginning of July, von Papen had negotiated with representatives of the Moscow Government and that the negotiations were proving themselves successful. But von Papen did not succeed in preventing Turkey from concluding pacts with England and France which were signed in the summer of 1939. But at the outbreak of war, Turkey remained neutral and owing to her export difficulties concluded with the Reich in February 1942 a Trade Agreement for the exchange of goods to the value of 721 million Turkish pounds.

Even later von Papen managed to induce Turkey to remain quiet, until Turkey, apparently because of the war situation, saw herself induced to break her relations with the German Reich on 1.8.44. At the same time, the two Russians who had been sentenced to 20 years penal servitude for taking part in the attempt on Papen's life in Ankara on 24.2.42 were released by virtue of a general amnesty decree which was especially issued for that purpose. After his return to the Reich, von Papen was awarded the Knights Cross of the War Merit Order with Swords.

Von Papen married in 1905 the daughter of the Saar industrialist von Galkan, the proprietor of the pottery works Villeroy & Bock. By this marriage he has four daughters and one son.

TRANSLATION OF DOCUMENT D-633

Berlin, 13 November 1932.

The Reichs Chancellor
Herr Adolf Hitler,
Munich.

Dear Herr Hitler,

When the President of the Reich appointed me to be leader of the Government on 1 June, he gave orders that the Presidential Cabinet, which I was to form, should represent the strongest possible concentration of all nationalist elements. You warmly welcomed this decision of the Reichs President at the time and you pledged your support of such a Presidential cabinet. When after the election of 31 July we tried to establish that concentration within the Presidential cabinet, you took the attitude that such concentration of all national elements was only possible under your leadership. You know how much I, in a series of conferences, tried to find a solution which would profit the country best. But for reasons which are well known to you, the Reichs President considered he had to refuse your claims for the Chancellor's office.

Since then a position has arisen, owing to the political antagonism of the nationalist elements amongst themselves, which can only be considered regrettable from a patriotic point of view.

A new situation has arisen through the election of 6 November and at the same time a new opportunity for all nationalist elements to be concentrated anew. The Reichs President has instructed me to find out by conversations with the leaders of the individual parties concerned, whether and how far, they would be prepared to support the carrying out of the political and economic program on which the Reichs government has embarked. In spite of the national-socialist press calling it a naive attempt for Reichs Chancellor von Papen to confer with the people concerned in the nationalist concentration, and that there can be only one answer, namely: "No negotiations with Papen," I should consider it neglecting my duties and I would be unable to justify it to my own conscience, if I did not approach you in this matter. I am quite aware from the papers, that you are maintaining your demands to be entrusted with the Chancellor's office, and I am equally aware of the continued existence of the reason for the decision of 13 August. I need not assure you again that I myself do not come into this matter at all. All the same I feel that *the leader of so great a national movement, the merits of which for people and country I have always recognized, in spite of necessary criticism,* should not refuse to enter into discussions on the situation and the decisions required with *that German politician,* who at present bears the full responsibility. We must attempt to forget the bitterness of the elections and *to place the welfare of the country, which we both of us serve, above all other considerations.*

Since I am very occupied next week with official visits of the Reichs Government to Saxony and Southern Germany, I shall be at your disposal on Wednesday and Thursday, 16 and 17 November, during the coming week.

Yours faithfully (etc.)
[sgd] PAPEN.

TRANSLATION OF DOCUMENT D-634

16 November 1932

Reichs Chancellor von Papen.

Dear Reichs Chancellor,

After a full consideration of your request dated 13 November for a conference on the situation and the decisions required, I have to give the following reply:

In spite of misgivings, I share your opinion that as leader of a large party one should not refuse to "enter into negotiations on the situation and the decisions required with that German politician who at present bears the full responsibility." However, the nation expects more from such a conference than a *theoretical* approach to the difficulties and problems which occupy them at present. Besides I have so often in my writing and speeches explained my attitude concerning this, that you, Mr. Reichs Chancellor, must be aware of same. Small as appear to be the advantages of such a general discussion, as large may be damaging consequences derived therefrom, because millions of our fellow countrymen expect *positive* results from negotiations if they take place at the present moment and if they become generally known. And quite rightly so! Discussions of the position by themselves won't help anybody. Therefore I consider negotiations at this very moment only advisable if their negative outcome is not established from the onset. I am therefore obliged, dear Reichs Chancellor, to name four conditions under which such an exchange of ideas might take place.

Item 1. *I am unable to attend a verbal discussion* but would ask that, if ideas are to be exchanged, this should be done *in writing.* The experience of the verbal discussions which have taken place so far and in the presence of witnesses, proves that the recollecting powers of the two parties do not yield in identical reproduction of the text and context of the negotiations. You yourself, Mr. Reichs Chancellor, state right in the beginning of your letter, that you had at one time been assured of the support by the national-socialist party of the Presidential cabinet to enable you to carry out your instruction "to effect the strongest possible concentration of all nationalist elements." The facts are that I stated in the presence of Hauptmann Goering, when I was informed that the cabinet was to be reshuffled after the elections, that I would not insist on this, provided the government would fulfill its nationalist duties. I instantly refused a request made to me about the same time to issue in writing a declaration of support, and stressed that this was quite out of the question. One could not possibly ask me to give a blank cheque to men, who were partly personally and in any event politically unknown to me. The economic and political measures taken by this cabinet during its first six weeks in office, have justified this reserved attitude of mine.

Your contention, Reichs Chancellor, that I had demanded total powers, whilst in fact I only asked for the leadership, prove how far verbal discussions may lead to erroneous conceptions. You yourself were to be a member of the new cabinet in your capacity as foreign secretary, General Schleicher, enjoying the special confidence of the Reichs President, was to be minister in charge of the Reichswehr and, agent from the Home Office and two, or at the very most three, ministries of no political significance, all positions were to be staffed by personnel who were either already in office or were to be agreed upon in negotiations between the parties concerned. You, Mr. Reichs Chancellor, have interpreted our demands, which at that time were more than modest, in such an erroneous light, that, wise through experience, I am no longer willing to deviate from the only safe method, that is, to deal with such questions in writing, all the more, since I am obviously powerless against so-called official communiques. You, Mr. Reichs Chancellor, are not only able to submit your interpretation to the German people through the officially inspired broadcasting system, but you can also force it on to the readers of my own party newspapers by means of the publications regulation [Anflageverfahren]. I have no defense against such methods. *If therefore, Mr. Reichs Chancellor, you* *intend to enter into a discussion, under observance of the other three conditions, I would ask you to let me know your attitude and/or your questions in writing when I shall similarly let you have my written replies.*

Item 2. There is no point in starting discussions, unless you, Mr. Reichs Chancellor, let me know in advance, how far you do in fact feel and regard yourself as fully responsible in your capacity as the leading German politician. Under no circumstances am I prepared to expose myself again to the methods used on 13 August. For in my opinion it is inadmissible for the "German politician bearing the full responsibility," to share out his responsibility at a given moment when responsible action is required. I refer here to a passage of your letter in which you now speak of reasons leading to the decision of 13 August, reasons which continued to apply, though at the same time you remark that you yourself do not come into this discussion at all! Mr. Reichs Chancellor, once and for all I should like to state: Just as I regard myself as basically responsible for the political decisions of the national-socialist party, as long as I am the leader of that party, so are you responsible for the political decisions of the Reichs government, as long as you are Reichs Chancellor. For that reason I asked you on 13 August to take the responsibility for the breaking-off of our negotiations yourself, instead of setting it on the Reichs President. I told you that since, as you assured me, our demands could not be met owing to reasons connected with the Reichs President. I had obviously to refuse to call on him in the circumstances. I told you that, as long as a Reichs Chancellor bore the political responsibility, it was his duty to cover his sovereign, he a king or a president. When you asked me what ideas I had on this subject, I suggested you should issue an official communique to the effect that negotiations concerning the Reichs Government reshuffle had taken place between you, Mr. Reichs Chancellor, and me in my capacity as leader of the national-socialist movement; these negotiations had been unsuccessful and had therefore been broken off. For since I had previously been a presidential candidate, it seemed to me inadvisable toward the millions of my adherents to let the Reichs President appear as being in any way connected with my being turned down, which was now to be expected. You were the politician bearing full responsibility for the Reich, and in my opinion it was up to you especially in this case, to shoulder the responsibility, except if your conscience would have prevented you, in which case it would have been your duty to resign. Unfortunately you could not be prevailed upon to shoulder the due proportion of your responsibility; I carried mine all right. Your chancellery, however, succeeded by means of a subterfuge, against my wishes and in spite of the declaration which you had made, to involve me in a discussion with the Reichs President. The outcome, which to you was a foregone conclusion, may have relieved you of the responsibility in your own eyes; it did not destroy me, but it dragged the Reichs President, at the age of 85 years, into a common squabble and settled him with a heavy responsibility. I do not wish to see a repetition of this game. *I am therefore only prepared to enter into a correspondence on the situation in Germany and the alleviation of our difficulties, if you, Mr. Reichs Chancellor, are first prepared to admit unambiguously your full responsibility for the future.*

Item 3. I would ask you, Mr. Reichs Chancellor, to inform me to what purpose an inclusion of the national-socialist movement is desired. If you intend to get me and the national-socialist movement to subscribe to the political and economic program, on which, as you state in your letter, the Reichs government has embarked, any correspondence in this matter would be irrelevant, nay superfluous. I am willing and unable to give an opinion on what the government regards as the program of its own violation, since, in spite of the closest consideration, I have never quite understood that program. *However, if it is a question of continuing those internal, foreign and economic-political measures which are being carried out at present, I shall have to refuse any support on the part of the national-socialist movement, since I consider these measures partly as inadequate, partly as insufficiently planned, partly as completely useless, even as dangerous.* I know that you, Mr. Reichs Chancellor, have a different opinion, but I consider that the practical activities of your Government have already been proven to be at least *unsuccessful.*

Item 4. You say in your letter that as a result of 6 November "a new opportunity for the concentration of all national elements" had arisen. I must confess that I am quite unable to understand the purport of this remark. I am of the opinion that that possibility has obviously only deteriorated through the dissolution of the diet in September, because the result is on the one hand an immeasurable strengthening of Communism and on the other a revival of the small splinter parties, which are without the slightest practical political value. The formation of a politically practicable block within the German people is thereby, from a party point of view, only imaginable by the inclusion of the Nationalists [Deutschnationale] and German people's party

(DVP), because I have to decline a prior suggestion, which you seem to have in your mind, to include the Socialist party (SPD). As you know yourself, the leader of the Nationalist party [Deutschnationale] has, prior to the elections, most unambiguously branded any cooperation with the R.C. center party [Zentrum] as treason and a crime against the nation. I do not believe that all of a sudden Geheimrat Hugenberg would prove himself so lacking in character that he would do after the elections what he had so strongly condemned before the elections. *Your endeavors, Mr. Reichs Chancellor, appear to me vague and thereby as much a waste of time as they are useless, as long as you are unable to inform me that Mr. Hugenberg has changed his mind after all.*

These four points, Mr. Reichs Chancellor, I regard as my conditions for an exchange of ideas and/or correspondence. Approval or disapproval depends on you.

In conclusion I should like to assure you, Mr. Reichs Chancellor, that I am nursing no bitterness on account of the elections. During the 13 years of my struggle for Germany I had to suffer so much persecution and so many personal attacks, that I have learned in time to place the big task which I serve above my own miserable self. What embitters me is merely, to have to observe how, under your somewhat unfortunate statecraft, Mr. Reichs Chancellor, day after day some of the national wealth, in the creation of which, within the framework of German history, I participated to the best of my ability, is being squandered. *This wastage of the hope, faith and trust of the nation in a German future is what fills me with sorrow and pain but at the same time confirms me in my unswerving resolution, to insist on my demands, which in my opinion can alone overcome our danger.*

Yours faithfully (etc.)

(sgd) Adolf Hitler.

P.S. Since I understand that General von Schleicher has been informed of the contents of your letter, Mr. Reichs Chancellor, I take the liberty of forwarding on my part a copy of this reply.

COPY OF DOCUMENT D–635

TRANSLATION of Radiogram from Vice Chancellor von Papen
to Board of Trade for German-American Commerce,
230 Fifth Avenue, New York

March 27, 1933.

To your telegraphic inquiry the following reply is sent: The reports circulating about alleged encroachments against American business interests and other excesses are absolutely unfounded. Business, life, traffic, and commerce are normal since the National Government is in power. Complaints about wrongs against American interests were not reported by the local American Chamber of Commerce which gave on the 10th a big farewell dinner to ambassador Sackett. Reports about the existing state of siege and censorship of news are imagined. The degree for censorship for letters and telegrams was instituted against communistic activity of suspected persons. The goal of the National revolution to free Germany from the threatened communistic danger and administration or inferior elements has been accomplished with remarkable order. The American Embassy reported less than a dozen cases of excesses against Americans to the Reichs-Government, which all were of a light nature. It could not be determined whether these were committed by National Socialists. The reports circulating in America about alleged torture of political prisoners and mistreatment of Jews are received here with indignation and are rejected by us without foundation. Hundred thousand Jews—no matter what their nationality—live here unmolested if they are not active politically. Business in numerous Jewish business places and in big Jewish publication houses, as Mosse, Ullstein, Frankfurter Zeitung, etc., is entirely normal. Synagogues and Jewish cemeteries were not disturbed. Certainly some regrettable incidents occurred, but since the declaration of the chancellor on 12 March that unlawful single actions should be stopped as otherwise they would be strongly resented, nothing has happened anymore. The opposite reports circulating in America to which also the alleged Bartholomews night planned for the night of 4 March belongs, originate undoubtedly from sources with strong interests to poison the friendly relations between Germany and America and the National Government and discredit us with the American people systematically although we are supported by the majority of the German people.

[signature] Vice Chancellor von Papen

I affirm that this is a true copy of the translation.

[signed] WILBUR K. THOMAS.
3 December 1945.

|Extract from New York Times, Tuesday 28 March 1933.|

Von Papen's message was as follows:

News which has reached you of alleged encroachments against

American business interests and of other excesses is entirely without foundation. Business life, travel, and commercial intercourse have been proceeding absolutely normally since the national government has taken office. No complaints about interference with American interests have been reported by the American Chamber of Commerce in Berlin which on 10 March gave Ambassador Sackett a great farewell banquet.

"State of Siege" Denied

Reports that a state of siege and news censorship exist are free interventions. The emergency decree under which mail and telegraphic communications can be supervised is directed against persons suspected of communistic plots. The national revolution, the goal of which it is to free Germany from serious communistic danger and remove from the administration all inferior elements, has been accomplished with remarkable order.

The American Embassy has reported to the Reich Government less than a dozen cases of excesses against Americans, all of which are of a light nature and which by no means have been established as having been committed by National Socialists. Reports circulated in America and received here with indignation about alleged tortures of political prisoners and mistreatment of Jews deserve strongest repudiation.

Hundreds of thousands of Jews irrespective of nationality, who have not taken part in political activities, are living here entirely unmolested. Operations of large Jewish enterprises and big Jewish publishing houses, such as Mosse, Ullstein, and Frankfurter Zeitung, are absolutely normal. Synagogues and Jewish cemeteries are undisturbed.

Undoubtedly there have been a few regrettable excesses. However, since the declaration of the Chancellor on March 12 that illegal acts by individuals have to stop and will be most severely dealt with, nothing more has happened. News to the contrary which is circulated in America including a story of an alleged St. Bartholomew night, said to have been planned for the night of 4 March, clearly emanates from sources strongly interested in poisoning the friendly relations between Germany and America and systematically discrediting with the American people the national government, although it is based on a majority of the German people.

The radiogram, sent from the Foreign Office in Berlin to the trade board here at 230 Fifth Avenue was made public by Albert Degener, secretary-treasurer of the board.

TRANSLATION OF DOCUMENT D-636

EXAMINATION OF DESCENT OF SS-LEADERS

Carried out in the SS bureau for problems of descent.

SS No. 63083

gazette No.

Person making the application

von Ribbentrop Joachim

Fiancee/Wife

Name:	v. Ribbentrop
Chrisian Name:	Joachim
Occupation:	Foreign Minister
Rank:	SS Gruppenfuehrer (Lieutenant General)
SS Unit:	R.F. SS
SS No.:	63083

Reason for missing particulars and remarks:

To No. 1: J. v. R. was adopted by Gertrud von Ribbentrop on the 15.5.1925 and thereby received the (civil) name "von Ribbentrop." Gertrud von Ribbentrop—born Berlin 19.5.1863., spinster, lives in Naumburg on Saale, Sedanstrasse 28. She is the daughter of Karl Berthold Sigismund von Ribbentrop, knighted on the 3.6.1884., Lt. Gen. in the Royal Prussian Army.

COPY OF DOCUMENT D-638

STATEMENT

U-30 returned to harbor about midSeptember. I met the captain, Oberleutnant Lemp, on the lockside at Wilhelmshafen, as the boat was entering harbor, and he asked permission to speak to me in private. I noticed immediately that he was looking very unhappy and he told me at once that he thought he was responsible for the sinking of the "Athenia" in the North Channel area. In accordance with my previous instructions he had been keeping a sharp lookout for possible armed merchant cruisers in the approaches to the British Isles, and had torpedoed a ship he afterwards identified as the "Athenia" from wireless broadcasts, under the impression that she was an armed merchant cruiser on patrol. I had never specified in my instructions any particular type of ship as armed merchant cruiser nor mentioned any names of ships. I despatched Lemp at once by air to report to the SKL at Berlin; in the meantime, I ordered complete secrecy as a provisional measure. Later the same day or early on the following day, I received a verbal order from Kapitaen zur See Fricke that—

1. *The affair was to be kept a total secret.*

2. *The OKM considered that a* court-martial was not necessary as they were satisfied that the captain had acted in good faith.

3. *Political explanations would be handled by the OKM.*

I had had no part whatsoever in the political events in which the Fuehrer claimed that no U-boat had sunk the "Athenia."

After Lemp returned to Wilhelmshafen from Berlin, I interrogated him thoroughly on the sinking and formed the impression that although he had taken reasonable care, he had still not taken sufficient precautions to establish fully the identity of the ship before attacking. I had previously given very strict orders that all merchant vessels and neutrals were to be treated according to naval prize law, before the occurrence of this incident. I accordingly placed him under cabin arrest, as I felt certain that a court-martial could only acquit him and would entail unnecessary publicity and too much time.

[signed] KARL DOENITZ

City of Nurnberg: SS

Before me, Walter H. Rapp, Captain, Cavalry, ASN O-454231, an officer duly qualified to take oaths, appeared Grand Admiral Karl Doenitz, to me known, who in my presence signed the foregoing statement consisting of two pages in the English language, and swore that the same was true on the 17th day of November 1945. [signed] Walter H. Rapp,

WALTER H. RAPP,
Captain CAV,
O–454231

PARTIAL TRANSLATION OF DOCUMENT D–639

1940 REICHSGESETZBLATT, PART I, PAGE 778

Decree of The Fuehrer concerning exercise of Governmental Authority in the Netherlands, 18 May 1940

Section 1. The occupied Netherlands territories shall be administered by the 'Reich Commissioner for the occupied Netherlands territories' * * * The Reich Commissioner is guardian of the interests of the Reich and vested with supreme civil authority.

* * * * * * *

Section 6. Doctor Arthur Seyss-Inquart is hereby appointed Reich Commissioner for the occupied Netherlands territories.

TRANSLATION OF DOCUMENT D–640

[Extract from a speech by the C-in-C Navy to the Commanders-in-Chief on 15. 2. 44]

Although no word should really be lost over it, I feel myself bound to emphasize this point yet again. As officers we have the obligation to be the guardians of this unity of our people. Every disunity would also affect our troops. We have to guard this unity of our people, which in the National Socialist state has proved itself to a degree previously unimaginable. It is the duty of every officer to do so, and he who offends against this and thus against his people, must be smashed by me. I believe it to be necessary to train our young officer candidates, who have to be in a position of command after a very short training period particularly from this aspect. They must be trained militarily, but above all will also be trained in such a way that, as officers, they must be the unconditional guardians of our National Socialist State.

I always come back with very great joy from my visits to the men of the outpost boats, M.T.B.'s, destroyer and U-boat forces, from troops who, compared with 1918, stand tower-high, because the unity of our people stands behind them. If this had not been the case the troops would long since have broken up. From the very start the whole of the officer corps must be so indoctrinated that it feels itself coresponsible for the National Socialist State in its entirety. The officer is the exponent of the state, the idle chatter that the officer is nonpolitical is sheer nonsense.

COPY OF DOCUMENT D–641–A

EXTRACTS FROM OFFICIAL FOREIGN OFFICE REPORT CONCERNING GERMAN ATTACKS ON MERCHANT SHIPPING, SETEMBER 3, 1939 to SEPTEMBER 1940

After twelve months of the war, it may be convenient to review the course of the warfare on the sea, in so far as it affects merchant shipping, both allied and neutral. * * * The conclusion to which (this paper) inevitably tends, is that there is perhaps no field of warfare in which British and German methods have been shown up in greater contrast.

During the first twelve months of the war, 2,081,062 tons of allied shipping comprising 508 ships have been lost by enemy action. In addition, 769,213 tons of neutral shipping, comprising 253 ships, have also been lost. Nearly all these merchant ships have been sunk by submarine, mine, aircraft or surface craft, and the great majority of them sunk while engaged on their lawful trading occasions. 2,836 allied merchant seamen have lost their lives in these ships.

* * * * * * *

In the last war the practice of the central powers was so remote from the recognized procedure that it was thought necessary to set forth once again the rules of warfare in particular as applied to submarines. This was done in the Treaty of London 1930, and in 1936 Germany acceded to these rules. The rules laid down:—

> (1) "In action with regard to merchant ships, submarines must conform to the rules of international law to which surface vessels are subjected".
>
> (2) "In particular, except in the case of persistent refusal to stop on being summoned, or of active resistance to visit and search, a war ship, whether surface vessel or submarine, may not sink or render incapable of navigation a merchant vessel without having first placed passengers, crew, and ships papers in a place of safety. For this purpose the ships boats are not regarded as a place of safety unless the safety of the passengers and crew is assured in the existing sea and weather conditions, by the proximity of land, or the presence of another vessel which is in a position to take them on board".

At the beginning of the present war, Germany issued a Prize Ordinance for the regulation of sea warfare, and the guidance of her naval officers. Article 74 of this ordinance embodies the submarine rules of the London Treaty. Article 72 however, provides that captured enemy vessels may be destroyed if it seems inexpedient or unsafe to bring them into port, and Article 73 (i) (ii) makes the same provision with regard to neutral vessels which are captured for sailing under enemy convoy, for forcible resistance, or for giving assistance to the enemy. These provisions are certainly not in accordance with the traditional British view but the important point is that, even in these cases, the Prize Ordinance envisages the capture of the merchantmen before its destruction. In other words if the Germans adhered to the rules set out in their own Prize Ordinance, we have argued the rather fine legal point with them, but we should have no quarrel with them, either on the broader legal issue or on the humanitarian one. In the event however, it is only too clear that almost from the beginning of the war the Germans abandoned their own principles and waged war with steadily increasing disregard for international law, and for what is, after all, the ultimate sanction of all law: the protection of human life and property from arbitrary and ruthless attacks.

It will perhaps now be convenient to examine German attacks under various headings.

A—On Neutrals.

Records here are necessarily scanty and incomplete. Although 253 neutrals were sunk, sufficient facts are known in less than half that number of cases to enable an opinion to be formed as to the legality or otherwise of the attack. However it will be pretty safe to assume that nearly all the sinkings after the first month of the war were illegal, except for those which occurred in British convoys, and which total five for the whole year. At any rate, it is possible to say that a "prima facie" case of illegality might be made out in at least fifty cases of attacks by submarines and in some twenty cases of attacks by aircraft. As regards mining, it is known that seventy-nine neutral ships have been sunk by this means. Here the evidence is necessarily even more incomplete than in the case of sinkings by submarine, because in the nature of things it is usually impossible to prove where a mine has exploded, whether it was British or German. The great majority of neutral ships which were mined were sunk in the main highways of British trade, and close to places where British ships either had been or were to be sunk. It does not, therefore, seem likely that the mines which sunk them were British.

During the first month of the war German submarines stopped a certain number of neutrals, mostly in the Baltic or its approaches, and sunk them after due warning and with some provision for the safety of the crews. Such sinkings were those of the Swedish ships "Nyland" and "Silesis," the Finnish "Martti Ragnar" and "Walma" and Norwegian "Jern," etc. Although certainly illegal according to the British view, these sinkings might be justified on the basis of the German Prize Ordinance; they do not however, amount to a dozen in all.

On the 30th. September 1939, came the first sinking of a neutral ship by a submarine without warning and with loss of life. This was the Danish ship "Vendia" bound for the Clyde in ballast. The submarine fired two shots and shortly after torpedoed the ship. The torpedo was fired when the master had already signalled that he would submit to the submarine's orders and before there had been an opportunity to abandon ship. By November submarines were beginning to sink neutral vessels without warning as a regular thing. On the 12th. November the Norwegian "Arne Kjode" was torpedoed in the North Sea without any warning at all. This was a tanker bound from one neutral port to another. The master and four of the crew lost their lives and the remainder were picked up after many hours in open boats. Henceforward, in addition to the failure to establish the nature of the cargo, another element is noticeable, namely an increasing recklessness as to the fate of the crew.

* * * * * * *

B—On allied merchant vessels.

(1) *Submarine and surface craft.*—It is necessary to bear in mind the difference between the German and British views of the legality of destruction after capture when reckoning up the total number of illegal sinkings. In a certain number of early cases the German commander allowed the crew of the merchant vessel to get clear, and even made some provision for them before he destroyed the vessel. Such destruction was in accordance with Article 72 of the Prize Ordinance, and, therefore, for the purpose of this paper, the Germans have been given the benefit of the doubt in such cases * * *. The following are the figures on record—

Ships sunk	241
Recorded attacks	221
Illegal attacks	112

(At least 79 of these 112 ships were torpedoed without warning. This does not of course include convoy ships.)

By the middle of October submarines were sinking merchant vessels without any regard to the safety of the crews. Yet four months later the Germans were still officially claiming that they were acting in accordance with their Prize Ordinance. Their own semi-official commentators however, had made the position clearer. As regards neutrals, Berlin officials had early in February stated that any neutral ship that is either voluntarily or under compulsion bound for an enemy port—including contraband control harbours—thereby loses its neutrality and must be considered hostile. At the end of February the cat was let out of the bag by a statement that a neutral ship which obtained a navicert from a British consul in order to avoid putting into a British contraband control base was liable to be sunk by German submarines, even if it was bound from one neutral port to another. As regards Allied ships, in the middle of November 1939, a Berlin warning was issued against the arming of British vessels. By that date a score of British merchantmen had been illegally attacked by gunfire or torpedo from submarines, and after that date some fifteen more unarmed Allied vessels were torpedoed without warning. It is clear, therefore, that not only was the arming fully justified as a defensive measure, but also that neither before nor after this German threat did the German submarines discriminate between armed and unarmed vessels.

* * * * * * *

To sum up, therefore, the analysis of the evidence shows a rapid deterioration in the methods of German sea warfare and a steady increase in lawlessness and inhumanity. In fact, of course, the aim of the Germans may be expressed in one word: terrorization. Whether the fault lay with submarine commanders, who became increasingly uneasy in the knowledge that they were being hunted by the Royal Navy or whether it lay with the Nazis at home whose one object was to force all neutral and allied shipping from the seas by gangster methods, it is impossible to say with certainty. What is certain is that long before the end of the first year of war the Germans had departed very far from the principles laid down in their Prize Ordinance. When the German methods are contrasted with the British system of contraband control stations and navicerts, the full extent of the difference between the German and British attitudes is apparent. However irksome neutrals may find our system, at least it preserves their shipping intact and their crews alive, instead of sending the vessels to the bottom of the sea and setting the men adrift, maybe 200 miles from land in a mid-Atlantic gale. The fundamental difference between the two methods is that the one conforms to a clearly defined and enunciated principle of law, while the other knows no principle but that of expediency. As the Berlin spokesman who claimed the right to sink neutrals with navicerts remarked: "We shall break the British blockade one way or another." One way or another: that is the voice of the gangster.

COPY OF DOCUMENT D-641-B

EXTRACTS FROM OFFICIAL FOREIGN OFFICE REPORT CONCERNING GERMAN ATTACKS ON MERCHANT SHIPPING. SEPT. 1. 1940 TO FEB. 28, 1941.

On the 30th January, 1941, Hitler proclaimed that "every ship, with or without convoy, which appears before our torpedo tubes is going to be torpedoed". On the face of it, this announcement appears to be uncompromising; and the only qualification provided by the context is that the threats immediately preceding it are specifically addressed to the peoples of the American continent. German commentators, however, subsequently tried to water it down by contending that Hitler was referring only to ships which attempted to enter the area within which the German "total blockade" is alleged to be in force.

From one point of view it probably matters little what exactly was Hitler's meaning, since the only conclusion that can be reached after a study of the facts of enemy warfare on merchant shipping is that enemy action in this field is never limited by the principles which are proclaimed by enemy spokesmen, but solely by the opportunities (or lack of them) which exist at any given time. Thus, as a previous paper on this subject has shown, the Germans, in utter disregard not only of international law but also of their own rules as set out in their Prize Ordinance were regularly sinking merchant shipping, neutral as well as allied, in the waters round Britain for at least ten months before the proclamation of their "total blockade". Equally, as will be seen from this paper, now that the "total blockade" has been proclaimed, they habitually make illegal attacks on ships outside as well as inside its area.

* * * * * * *

The effect of the German "total blockade" is to prohibit neutral ships from entering an enormous stretch of sea round Britain (the area extends to about 500 miles west of Ireland, and from the latitude of Bordeaux to that of the Faroe Islands), upon pain of having their ships sunk without warning and their crews killed. As a matter of fact, at least thirty-two neutral ships, exclusive of those sailing in British convoys have been sunk by enemy action since the declaration of the "total blockade." Details are not available in most cases, but there can be little doubt that the majority of these attacks were carried out without warning, and the death-roll is known to be several hundreds. Thus, apart from the effect on neutral trade, the German blockade inflicts upon neutral subjects a wholly disproportionate amount of suffering.

Even if the "total blockade" were in itself a justifiable measure, the Germans use wholly illegal means in carrying it out. The German proclamation says nothing about sinking merchant ships without warning. Yet, though information is lacking in very many cases, details are available to prove that, during the period under review, at least thirty-eight allied merchant ships, exclusive of those in convoys have been torpedoed without warning in or near the "total blockade" area.

That the Germans themselves have no exaggerated regard for the area is proved by the fact that of the thirty-eight ships referred to at least sixteen were torpedoed outside the limits of the war zone.

The development of enemy tactics in the war on shipping is a theme outside the scope of this paper, but two aspects of the matter may perhaps be mentioned. The first is the increase in the proportion of torpedo attacks without warning to gun-fire attacks by submarines on the surface. Whereas for the first twelve months the ratio was rather under 3:1, for the last six months it is approximately 8:1. Whatever may be the factors which contribute to this increase, the result must be that in many more cases the last shreds of legitimacy are torn from enemy submarine attacks. Not even the Germans can advance the excuse that they were entitled to sink a ship on account of her persistent refusal to stop, if she has never had a chance of seeing the submarine.

The deplorable consequences of this type of warfare have been illustrated so often that they have almost become a commonplace. It is only when people's consciences are shocked by what seems a particularly brutal attack that it is realized how deplorable they are. The sinking of the "City of Benares" on the 17th September 1940, is a good example of this. The "City of Benares" was an 11,000-ton liner with 191 passengers on board, including nearly 100 children. She was torpedoed without warning just outside the "war zone", with the loss of 258 lives, including 77 children. It was blowing a gale, with hail and rain squalls and a very rough sea when the torpedo struck her at about 10 p. m. In the darkness and owing to the prevailing weather conditions, at least four of the twelve boats lowered were capsized. Others were swamped and many people were washed right out of them. In one boat alone sixteen people, including 11 children, died from exposure; in another 22 died, including 15 children, in a third 21 died. The point to be emphasized is not the unusual brutality of this attack but rather that such results are inevitable when a belligerent disregards the rules of sea warfare as the Germans have done and are doing. Probably the commander of the U-boat did not know, when he fired his torpedo, that there were children on board the "City of Benares". It may be that he did not even know the name of the ship, although there is strong evidence that he must have been dogging her for some hours before torpedoing her. What he must have known, however was that this was a large merchant ship, probably with civilian passengers on board, certainly with a crew of merchant seamen. He knew the state of the weather, and he knew that they were 600 miles from land. Yet he followed them outside the blockade area and deliberately abstained from firing his torpedo until after nightfall, when the chances of rescue would be enormously diminished.

* * * * * * *

There are hundreds of similar stories, stories of voyages for days in open boats in Atlantic gales, of men in the water clinging for hours to a raft and gradually dropping off one by one, of crews being machine-gunned as they tried to lower their boats or as they drifted away in them, of seamen being blown to pieces by shells and torpedoes and bombs. The enemy must know that such things are the inevitable result of the type of warfare he has chosen to employ.

* * * * * * *

In all, during the six months from September 1940, some 290 allied vessels have been sunk by enemy action when not in convoy. The loss of life is approximately 2,500. The Fuehrer's announcement that unconvoyed as well as convoyed ships will in future be torpedoed is therefore not exactly news. The avowed aim of the Germans, as announced by Admiral Raeder on the 28th January, 1941, is to cut off mercilessly British imports and destroy Britain's power to live. The same speaker referred to the German war on merchant shipping as a "heroic struggle".

* * * * * * *

Other Germans, U-boat commanders and aircraft pilots have described with relish how they singled out their unsuspecting victims, carefully choosing those of the largest size.

We may be forgiven for failing to see anything very heroic in the torpedoing of the "City of Benares", * * * or of the hundreds of other merchant vessels, from the Athenia down to a Faroese fishing smack with a crew of seven. Even the German officers who gloat over their successes do not make such pretension to heroism. One of them compared his work to that of a wolf among the flock of sheep. The comparison is the enemy's, as the choice of warfare was his: and it is surely right that these facts should be put on record.

COPY OF DOCUMENT D-641-C

Trade Division, Admiralty, S.W. 1.

Sinkings by U-Boats during the war, 1939–1945—
2,775 British, Allied and Neutral Ships totalling
14,572,435 Gross Tons.

I, Captain (S) Reginald Patrick MacKenzie, R.N. (Retd.) in charge of Statistical Section of Trade Division of the Admiralty, hereby certify that the above figures are true and correct according to the information and records available in the Admiralty.

(Sgd) R. P. MacKenzie
Captain (S) R.N.

27.12.45.

TRANSLATION OF DOCUMENT D-642

[EXTRACT FROM BEFEHLSHABER DER U-BOOTE'S (B. d. U.-Commander of the U-Boats) SECRET STANDING ORDER NO. 154, SIGNED DOENITZ.]

Para. e). Do not pick up survivors and take them with you. Do not worry about the merchant-ship's boats. Weather conditions and distance from land play no part. Have a care only for your own ship and strive only to attain your next success as soon as possible! We must be harsh in this war. The enemy began the war in order to destroy us, so nothing else matters.

TRANSLATION OF DOCUMENT D-644

THE SINKING OF S.S. "SHEAF MEAD"

[British Admiralty Report]

The British s./s. "Sheaf Mead" was torpedoed without warning on 27.5.40, with the loss of 31 of the crew. The commander of the U-boat responsible is reported to have behaved in an exceptionally callous manner towards the men clinging to upturned boats and pieces of wood. It was thought that this man was *Kapitaenleutnant Oehrn* of *U37:* the following extract from his diary for 27.5.40 leaves no doubt on the matter and speaks for itself as to his behaviour.

Kapitaenleutnant Oehrn was a prisoner of war, but has now been repatriated.

"*27 May*

1252 Steamship sighted, steering west. She must therefore be proceeding from Vigo or La Coruna. Probably up to 5,000 tons. Speed approx. 10 knots. Start tracking. Enemy is steering a zig-zag course of only about 10 degrees and so slightly that, at first, the changes of course are taken for yawing. Only after a while is the cause realized, and then it is doubtful whether with the changing visibility and great distance, the position had not been miscalculated * * *

1243 *W/T2 message from B.d.U.* (F.O. U-Boats)

> "Enemy auxiliary cruisers are operating between 41°-42° 30′ and 10° 30′ 11° West, against a German steamship sailing from Vigo."

1444 Boat now in position ahead of steamship. Dived. Nothing as yet to be seen in periscope. Swell considerably hinders depth-keeping and observation. She cannot be very far away by now—and still nothing. Hydrophone is operated—nothing. Then she comes in sight 4-5,000 metres away. In this case, a steamship capable of 9-10 knots was therefore sighted in the periscope before she was heard. This, in spite of otherwise excellent installations. So one cannot always rely on hydrophones.

At full speed, keep abreast of her. But what is a steamship doing here on a course of 280°?

Can she be German? It seems that some are to put out from Vigo.

She would arrive here just at this time, putting out last night. From appearances, about 3,000-5,000 G.R.T. The officer of watch III is an authority on merchant ships and suggests she may be a Levantine steamer. Only a short time is to elapse, now, before we fire.

I must on no account make a mistake, and feel I have been rather driven into a corner over this matter.

The distance apart is narrowing. The steamship draws in quickly, but the position is still 40-50. I cannot see the stern yet. Tube ready—shall I or not? The gunnery crews are also prepared. On the ship's side a yellow cross on a small, square, dark blue ground. Swedish? Presumably not. I raise the periscope a little. Hurrah, a gun at the stern, an A/A gun or something similiar. Fire! It cannot miss. Periscope up, observation. Aft of the funnel, a boxlike erection of sail and wood—on lathes. Hit scored aft 30. Distance was 320 metres. Stern sinks considerably. The crew jump into the boats. The bows rise up. I have a look round.

1554 Surface. Stern is underwater. Bows rise higher. The boats are now on the water. Lucky for them. A picture of complete order. They lie at some distance. The bows rear up quite high. Two men appear from somewhere in the forward part of the ship.

They leap and rush with great bounds along the deck down to the stern. The stern disappears. A boat capsizes. Then a boiler explosion. Two men fly through the air, limbs outstretched. Bursting and crashing. Then all is over. A large heap of wreckage floats up. We approach it to identify the name. The crew have saved themselves on wreckage and capsized boats. We fish out a buoy. No name on it. I ask a man on the raft. He says,

1648 hardly turning his head—Nix Name. A young boy in the water calls "help, help, please". The others are very composed. They look damp and somewhat tired. An expression of cold hatred is on their faces. Onto the old course. After washing the paint off the buoy, the name comes to light:—Greatafield, Glasgow. 5006 G.R.T. [The name of the ship was "Gretaston" before it was changed in January 1940.]

It is not clear whether she was sailing as a normal merchant ship. The following seem to point to the contrary:—

1. The course. She must have put out from a Spanish port, and steered a course off the normal traffic route.
2. The blue square with the yellow cross on the ship's side. It may have some tactical significance.
3. The circumstance that she was painted grey and carried no name.
4. The order and discipline amongst the crew during, and after, the sinking of the ship. Also, the crew were not in uniform.

5. The remarkable box/like erection behind the funnel, behind which another gun may have been hidden."

Sheaf Mead—5,008 G.r.t. Voyage Swansea to Philadelphia. Torpedoed and sunk by U-boat at 1250 27th May, 1940

Number of lives lost—31. Some presumed by drowning, others by exposure.

Extract from Chief Engineers Reports. Begins—

When I came to the surface I found myself on the port side, that is, nearest to the submarine, which was only about 5 yards away. The submarine captain asked the steward the name of the ship, which he told him, and the enemy picked up one of our lifebuoys, but this had the name "Gretaston" on it, as this was the name of our ship before it was changed to "Sheaf Mead" last January.

The captain was a young fellow of about 28, height 5′10″, about 13 stone and well built. He had fair hair, was rather good-looking with sharp features, and was clean-shaven. He spoke good English with a very deep voice. He was the only man in uniform. I think he had two gold stripes, and he wore a cape with a badge but no braid. There were about 10 men on the deck of the submarine, all of whom appeared to be freshly shaved; they were very young, only boys really, and they wore blue and brown dungarees, or a kind of smock like that worn by fishermen. No one was in khaki nor wearing forage caps. I did not hear them speaking German amongst themselves, and there was no sound of any wireless.

The submarine must have surfaced very quickly, as it was in full view when I came up from my room. There was no warning noise of any kind before we were torpedoed and no one appears to have sighted her; the gunner who had been on the gun platform until 1230 had gone below for his lunch, and was about to return to his station at 1250. He was never seen again.

She was painted a greenish-grey colour with no markings of any description, and she looked absolutely brand new. She was rather long, about 150-200 feet with one gun well forward from the bridge. This gun was covered and not manned. There were two rows of slots along the side; we could see a man walking round under the deck on a level with the upper row of slots. She had cut-away bows but I did not notice a net cutter. Two men stood at the side with boat hooks, to keep us off.

They cruised around for half an hour, taking photographs of us in the water, otherwise they just watched us, but said nothing. Then she submerged and went off without offering us any assistance whatever. Ends.

COPY OF DOCUMENT D–645

THE SINKING OF THE "NOREEN MARY"

1. Extract from War Diary of U-247
2. Comment of Befehlshaber der Unterseeboote.

The sinking of the "Noreen Mary"

This fishing vessel was sunk by U-247 (Commander-Oberleutnant zur See Matschulst) on July 5th, 1944, when the U-boat was on her first operational patrol.

The following is the entry in the Commander's War Diary reporting the action:

1. *5. 7.*
1943

Fishing vessel — (position) Two-fan from tubes I and IV.
(Firing details)
Vessel turns away to starboard shortly after the shot and takes up a position of 180°.
The sea being as smooth as a mill-pond, she probably saw the tracks.
Surfaced.

2055 AM 3683
(i.e. position on German Naval Grid)

Fishing vessels: (Bearings given of 3 ships).
Engaged the nearest. She stops after three minutes.
T3a sinking shot fired from tube III at the "Noreen Mary" as she lay stopped. (Particulars of range, angle, etc.) A miss, misfired, did not clear. Sunk by flak, with shots into her side. Sank by the stern.—

2151 West of Cape Wrath

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2. Comment of the Befehlshaber der Unterseeboote on the War Diary of U 247 (Matschulst) for the period 18.5-28.7.44.

The sinking by flak of the fishing vessel in this area testifies to *great* offensive spirit and verve. As regards the sinking shot on the fishing vessel as she lay stopped, I should say that relatively more misses are scored when firing sinking than attacking shots, as the enemy, when lying stopped, is usually still slightly moving. —Operations well carried out in difficult conditions.

Recognized success: Fishing vessel "Noreen Mary" sunk by flak.

For the B.d.U.—
The Chief of Operational Division.
[Initials illegible]

AFFIDAVIT BY JAMES MACALISTER

At Edinburgh the Twenty first day of December Nineteen hundred and forty five, in presence of William Brunton Robertson, Solicitor and Notary Public, Edinburgh

Appeared James MacAlister, 21 Adelphi Place, Portobello, who being solemnly sworn and interrogated DEPOSES:—

I am 35 years of age.

I am at present employed as a ships rigger with John Dinwoodie, Granton, near Edinburgh. I have been a fisherman and a whaler practically all my days. In the month of July 1944 I was deckhand in the steam trawler "Noreen Mary"—a boat engaged in fishing on the west coast of Scotland and it follows from what I have said that I was engaged in a peacetime occupation just as I had been engaged in that occupation for many years before. I was not engaged in combating the enemy, although it is the case that the "Noreen Mary" carried—like all other fishing trawlers—a gun—in this case a "Savage Lewis". In addition there was one rifle on board for the purpose of exploding enemy mines which might happen to be in the Fairway; the vessel was not "wiped."

On the last fishing trip of the "Noreen Mary" (from Ayr to the fishing grounds off Butt of Lewis) there were ten of a crew —the skipper (John Flockhart), the mate (Alexander Barnett), second fisherman (Alexander Mackenzie), gutter (an Englishman whose name I forget), chief engineer (William Jackson), second engineer (William Pryde), fireman (George Gordon), trimmer (whose name I forget), cook (Charles Lindsay), and myself, a deck hand.

We had on board a catch of 325 boxes of fish.

We left Ayr at 14 hrs on 1st July 1944, proceeding independently for the fishing grounds off the butt of Lewis. We started to trawl early on Monday morning 3rd July at which time there were two other trawlers present. We continued to fish in the same area, with other trawlers joining up, until by the 5th of July there were five other trawlers in our vicinity.

Nothing of incident occurred until 2010 hrs on the 5th of July, when, whilst on watch I saw two torpedoes pass down on our port side. They were together between 6 and 8 feet apart, the nearest being about 10 ft from the ship's side. Then I saw a conning tower dead astern only 120/130 yards away, so I ran on to the bridge and called all hands. The ship's head was swinging to the S.E. (i. e. to starboard) at this time.

By the time the crew arrived on deck the conning tower had submerged, and they would not believe that I had seen either the submarine or the torpedoes. In fact the Mate asked, "What pub have you been in." We carried on fishing until 2030 hrs when we hauled in our trawl and shot it again at 2055 hrs. The Mate then asked another trawler "Starbank" if she had seen anything of a submarine, but she had not.

At 2110 hrs. while we were still trawling, the submarine surfaced on our starboard beam, about 50 yds to the N.E. of us, and without any warning immediately opened fire on the ship with a machine gun. We were 18 miles West from Cape Wrath, on a north-westerly course (approx.) making 3 knots. The weather was fine and clear, sunny, with good visibility; the sea was smooth, with light airs.

When the submarine surfaced I saw men climbing out of the conning tower. The skipper thought at first the submarine was British, but when she opened fire he immediately slackened the brake to take the weight off gear, and increased to full speed which was about 10 knots. The submarine chased us, firing her machine gun, and with the first rounds killed 2 or 3 men, including the skipper, who were on deck and had not had time to take cover. The submarine then started using a heavier gun from her conning tower, the first shot from which burst the boiler, enveloping everything in steam and stopping the ship.

By now the crew had taken cover, but in spite of this all but four were killed. The submarine then commenced to circle round ahead of the vessel and passed down her port side with both guns firing continuously. We were listing slowly to port all the time but did not catch fire.

The mate and I attempted to release the lifeboat, which was aft, but the mate was killed whilst doing so, so I abandoned the attempt. I then went below into the pantry, which was below the waterline for shelter. The ship was listing more and more to port, until finally at 2210 she rolled right over and sank, and the only four men left alive on board were thrown into the sea. I do not know where the other three men had taken cover during this time, as I did not hear or see them until they were in the water.

I swam around until I came across the broken bow of our lifeboat, which was upside down, and managed to scramble on top of it. Even now the submarine did not submerge, but deliberately steamed in my direction and when only 60/70 yards away fired directly at me with a short burst from the machine gun. As their intention was quite obvious, I fell into the water and remained there until the submarine ceased firing and submerged, after which I climbed back on to the bottom of the boat. The submarine had been firing her guns for a full hour.

Shortly afterwards I saw the second engineer hanging on to a big pond board, and seeing the ship's ladder nearby, I pushed one end of it over to him. He grabbed it and I was able to pull him over to the damaged lifeboat and lay him over the top. He was very badly injured and became hysterical; he shook hands with me and said he was going to jump overboard, so the only thing I could do to prevent him doing so was hit him on the jaw to make him unconscious. After ten minutes he recovered, and was much quieter.

The chief engineer and an apprentice trimmer were the other two men thrown clear of the ship, but I did not actually see them in the water. I heard them shouting for a time, but they were not seen again.

The second engineer and I remained on the upturned lifeboat, and at daybreak I saw a trawler about half a mile away, and after asking the second engineer if he could shout, to which he answered "yes," I said "Well, if you've ever shouted in your life, shout now." We made as much noise as we could, and were heard by the crew of this trawler, which was H.M.T. "Lady Madeleine" who closed and lowered a boat and had us aboard about 0500/6. We searched the area, which was littered with wreckage for other survivors for about an hour, but did not see any sign of life.

Whilst on board the "Lady Madeleine" the second engineer and I had our wounds dressed; I learned later that the second engineer had 48 shrapnel wounds; also a piece of steel wire 2½" long embedded in his body. I think the shells must have been filled with this wire, as it definitely was not any part of the ship's equipment. I had 14 shrapnel wounds.

The submarine was the largest I have seen, and she had a large conning tower. She had two big guns, one on the after deck and the other on the fore part of the conning tower. There was what looked like an Oerlikon (it was bigger than a machine gun) on a stand on the fore deck, but I was not able to see how many men fired it. The paintwork looked fresh and there was no camouflage on deck. The hull was a lightish grey, and I saw a black Swastika, picked out in white on the fore part of the conning tower. Underneath the Swastika there was a "U" and underneath that "11"; this number, which was also seen by the trawlers "Starbank", "Colleague" and "W. H. Podd", was painted in white. I did not see a crest. There was a peculiar erection on the bows of the submarine, which looked to me something like a catapult. It was a heavy structure, but only 2 or 3 ft high. I do not think it was part of a net cutter.

I saw two or three of the crew on the conning tower, and a man at the heavy gun, but did not notice their uniform. I would not be able to identify any of them, as I was constantly taking cover.

I understand that the "Starbank" which was in our immediate vicinity when the submarine surfaced, immediately began transmitting an S.O.S. message. The submarine evidently heard her doing so, and fired two shots in her direction, but they missed and she was able to get away. The other trawlers also cut their gear and steamed at full speed for Stornoway.

This is my fourth war-time experience, having served in the whalers "Sylvester" (mined) and "New Seville" (torpedoed), and the trawler "Ocean Tide", which ran ashore.

As a result of this attack by the U-boat, the casualties were six killed (the skipper, mate, one deckhand, second fisherman, cook, and fireman)—two missing (chief engineer and trimmer) —two injured (second engineer and myself).

ALL WHICH IS TRUTH as the Deponent shall answer to God.

[signed] JAMES MACALISTER
Laborer

W. B. Robertson.
Notary Public, Edinburgh.

COPY OF DOCUMENT D 646 A

Friesland, 1875 m, in English for U.K., 15.35 (4 mins) 11.3.43.

Talk by Naval War Reporter:
A New Story of the Battle of the Atlantic
Windjammer Sunk by U-Boat

Santa Lucia, in the West Indies, was an ideal setting for romance, but nowadays it was dangerous to sail in these waters—dangerous for the British and Americans and for all the coloured people who were at their beck and call. Recently a U-boat operating in these waters sighted an enemy windjammer. Streams of tracer bullets were poured into the sails and most of the Negro crew leaped overboard. Knowing that this might be a decoy ship, the submarine steamed cautiously to within 20 yards, when hand grenades were hurled into the rigging. The remainder of the Negroes then leaped into the sea. The windjammer sank. There remained only wreckage, lifeboats packed with men, and sailors swimming. The sharks in the distance licked their teeth in expectation. Such was the fate of those who sailed for Britain and America.

TRANSLATION OF DOCUMENT D–646–B

Extract from War Diary of U—105, dated 12.1.43.

12.1.
0100 hours

I steer towards the sailing vessel from the lee-side, as he cannot see me then because of his sails. I shoot with the 2 cm gun into his rigging. He thereupon fires into the wind. He then goes apparently unintentionally over to the other bow. 2 boats and a raft are then lowered into the water. I move close up, and order handgrenades to be thrown on board. There are still quite a number of people on board; far too many for such a small vessel. She is still afloat, shows no change as yet.

0127 hours
Position
Mar Qu ED 5956

The sailing vessel suddenly heels over to one side and sinks. Men are swimming in the water, I estimate there must have been 50-60 men aboard all told. To the question "What cargo"? the reply "No cargo, workmen" is received. Therefore he seems to have had workmen on board.

0134 hours

Moved away with course set at 147° and both engines at half speed ahead.

0215 hours

Have gone over to both engines slow speed ahead.

COPY OF DOCUMENT D-647

EXTRACT FROM A STATEMENT GIVEN BY SENIOR JOSE RENATO DE OLIVEIRA SILVA, Second Officer of the Ship "Antonico" Which was Torpedoed, Set Afire and Sunk on the 28th of September, 1942, on the Coast of French Guiana.

"Jose Renato De Oliveira Silva, of Brazilian nationality, married, twenty six years of age (26), son of Manuel Euclides De Oliveira Silva e Dona Olerina De Oliveira Silva, second pilot, matriculated by the Port Authorities of Rio de Janeiro, resident in that city, Avenida Sao Jeronimo, 795. After being sworn in, he was questioned by the head of the Inquiry Board as follows: "Where was he at the time the ship "Antonico" was attacked by the submarine?" He answered he was in the galley. When asked what he knew as regards the incident he answered that he was second officer of the ship "Antonico" of this city, and the property of the firm M. L. D'Albuquerque, which left this port on the ninth (9th) of September last, with the port of Paramaribo, Dutch Guiana, as destination; the ship "Antonico" being commanded by Capitao De Cabotagem Americo De Moreira Neves; that the "Antonico" was coasting by various wood ports, the last one being in Rio Oiapoque, and then on to Paramaribo; that the voyage was running normally, until the 28th of the same month of September, when, at almost four ten, (4H10') finding himself on duty in the galley with the sailor Jonas Barbosa, the witness heard a burst of gunfire, which drew his attention and he saw a luminous ball of fire, passing from starboard to portside, close to the galley of the "Antonico"; he immediately stopped the engines, and swung to port, in order to avoid that the "Antonico" should be hit again by another projectile. There were five more shots, but all missed their mark. The witness immediately realized that the "Antonico" was being attacked by an Axis submarine, due to the ship carrying material to an Allied Air Base;

that the ship "Antonico" was completely disarmed, including the crew; that after the first shots which missed their mark, the attack continued, hitting the "Antonico" in several places, and setting her alight in various parts, as the shots were luminous and incendiary; that the Captain of the "Antonico" at the moment of the attack was in bed; that the witness, seeing that the "Antonico" was on fire, gave orders to the sailor in charge of the steering wheel, who was with him, to go to his appointed place, in case of abandon ship; that the witness also went to his lifeboat No. 2 and found all the crew at their posts; the witness saw the Captain of the "Antonico" on deck, giving orders and directing abandon ship, when he spoke rapidly to the witness saying "I never thought that this would happen"; the witness continued on his way and gave orders to swing out lifeboat No. 2 for himself and his crew of 20, the word crew is used but already the crew had diminished, having fallen as victims to the shots and splinters of the grenades of the aggressors; that the witness saw the dead on the deck of the "Antonico" as he and his crew tried to swing out their lifeboat; that the attack was fulminant, lasting almost 20 minutes; that the witness already in the lifeboat tried to get away from the side of the "Antonico" in order to avoid being dragged down by the same "Antonico" and also because she was the aggressors target; that the night was dark, and it was thus difficult to see the submarine, but that the fire aboard the "Antonico" lit up the locality in which she was submerging, facilitating the enemy to see the two lifeboats trying to get away; that the enemy ruthlessly machine gunned the defenceless sailors in No. 2 lifeboat, in which the witness found himself, and killed the second pilot Arnaldo De Andrade De Lima, and wounded three of the crew; that the witness gave orders to his company to throw themselves overboard, to save themselves from the bullets; in so doing, they were protected and out of sight behind the lifeboat, which was already filled with water; even so the lifeboat continued to be attacked. At that time the witness and his companions were about 20 metres in distance from the submarine, and on this occasion the witness saw her for the first time; that she was in the dark, and thus it was impossible for him to identify her; that at that time the witness was completely ignorant of the fate of the lifeboat commanded by the captain of the "Antonico"; that the submarine immediately withdrew from the locality and submerged, after the "Antonico" in flames, disappeared; that from the start of the attack until the end of same, and the disappearance of the "Antonico" the time passed was more or less twenty (20) minutes; that it was not yet daylight, and the locality in darkness; that the witness decided to remain in the same locality until daylight; that this lifeboat was overflowing but having floats, it did not submerge and the witness and his companions were able to occupy her; that when daylight came, the witness saw the lifeboat commanded by the Captain of the "Antonico" about 50 metres away; that the other lifeboat was also overflowing, but also had floats, but the prow was missing, having been destroyed by a grenade; that only then was the witness obvious to the fact that the Captain of the "Antonico" had been killed with four others by a grenade which destroyed the prow of the lifeboat; that in that lifeboat there were seven (7) wounded men, and in the lifeboat of the witness, five of the crew were wounded.

I, Richard Long, Lieutenant Commander, R.N.V.R., certify that the above is an extract from a report in the possession of the British Admiralty, London.

[signed] RICHARD LONG

COPY OF DOCUMENT D–648

LIST OF MEETINGS WITH HITLER AT WHICH ADMIRAL DOENITZ WAS PRESENT.

1. *8. 2.43* Meeting between Hitler and Doenitz at Wolfsschanze. Those present were: Admiral Krancke and Reichsminister Speer.
2. *26. 2.43* Meeting between Hitler and Doenitz at Fuehrer's H.Q. Winniza. Those present were: Admiral Krancke, General Jodl, Kapitaen zur See von Puttkamer.
3. *14. 3.43* Meeting between Hitler and Doenitz at Wolfsschanze. Those present were: Generalfeldmarschall Keitel, Generalfeldmarschall Kesselring, Generaloberst Jeschonnek, General Jodl, Konteradmiral Machens, Konteradmiral Voss, Konteradmiral Wagner, Kapitaen zur See von Puttkamer.
4. *18. 3.43* Meeting between Hitler and Doenitz at Wolfsschanze. Those present were: Generalfeldmarschall Keitel, General Jodl, Konteradmiral Voss, Kapitaen zur See von Puttkamer.
5. *11. 5.43* Meeting between Hitler and Doenitz at Berghof. Those present were: Kapitaen zur See von Puttkamer.

6. *14. 5.43* Meeting between Hitler and Doenitz at Wolfsschanze. Kapitaen zur See Engelhardt was present.

7. *31. 5.43* Meeting between Hitler and Doenitz at Berghof. Those present were: Generalfeldmarschall Keitel, Generalleutnant Warlimont, Kapitaen zur See von Puttkamer.

8. *15. 6.43* Meeting between Hitler and Doenitz at Berghof. Those present were: Generalfeldmarschall Keitel, Generalleutnant Warlimont, Kapitaen zur See von Puttkamer, Reichsminister Speer.

9. *8. 7.43* Meeting between Hitler and Doenitz at Wolfsschanze. Those present were: Generalfeldmarschall Keitel, General Jodl, Konteradmiral Voss, Kapitaen zur See von Puttkamer.

10. *17. 7.43* Meeting between Hitler and Doenitz at Wolfsschanze. Those present were: General Jodl, Konteradmiral Voss, Kapitaen zur See von Puttkamer, Oberst I.G. Scherf and Generalfeldmarschall Rommel.

11. *26. 7.43* Meeting between Doenitz and Hitler was attended by Konteradmiral Machens, Kapitaenleutnant Hansen-Nootbar, Konteradmiral Wagner, Korvetten Kapitaen Freywald.

12. *27. 7.43* Meeting between Doenitz and Hitler. The above were again present.

13. *28. 7.43* Meeting continued and was attended by Konteradmiral Wagner, Korvetten Kapitaen Freywald.

14. *1. 8.43* Meeting between Doenitz and Hitler at Hitler's headquarters.

15. *2. 8.43* Meeting between Doenitz and Hitler continues, they were joined later by Konteradmiral Meendsen-Bohlken.

16. *3. 8.43* Meeting between Doenitz and Hitler continues. General Jodl also present at conference.
Luftwaffen-ingenieur Dessauer was interviewed by the Fuehrer in the afternoon.

17. *9. 8.43* Visit by Doenitz to Hitler's headquarters. Konteradmiral Wagner and Kapitaen-leutnant Hausen-Nootbar, Foreign Minister Ribbentrop, Reichsmarschall Goering, Reichsfuehrer SS Himmler, Feldmarschall Keitel, Ambassador Hevel, Konteradmiral Wagner, Konteradmiral Voss, Kapitaen zur See von Puttkamer were also present.

18. *10. 8.43* Meeting between Doenitz and Hitler continues. General Jodl present.

19. *11. 8.43* Meeting continues.
Those present include Generalfeldmarschall Rommel, General Jodl, Himmler, Ribbentrop, General Student, Ambassador Hevel, Kapitaen zur See von Kamptz, Kapitaen zur See von Puttkamer, Oberst I. G. Scherff.

20. *19. 8.43* Visit by Doenitz to Hitler's headquarters.
Those present were: General Jodl, Konteradmiral Wagner, Konteradmiral Voss, Kapitaenleutnant Hansen-Nootbar.

21. *28. 8.43* Discussion at Hitler's headquarters.
Those present were: Doenitz, Vizeadmiral Meisel, Kapitaen zur See Rehm, Kapitaen-leutnant Hansen-Nootbar, Leutnant (MA) Dr. Raudszus, General Jodl, Chief of Army General Staff, Foreign Minister Ribbentrop.

22. *29. 8.43* Discussion continued.
Those present include: Himmler, Goering, General Korten, General Meister.

23. *10. 9.43* Visit by Doenitz to Hitler's headquarters.
Those present were: Konteradmiral Wagner, Konteradmiral Baltzer, Kapitaen-leutnant Hansen-Nootbar, Goering, General Korten, Feldmarschall Keitel and Himmler.

24. *11. 9.43* Conference between Doenitz and Hitler.
Those present during the day were: Feldmarschall Keitel, Reichsinnerminister Himmler, Ribbentrop.

25. *12. 9.43* Conference continues.

26. *24.10.43* Meeting between Doenitz and Hitler at Fuehrer's headquarters.
Those present during the day were: Generalfeldmarschall Frhr von Weichs and General Korten.

27. *27.10.43* Discussion with Hitler at Wolfsschanze.
These present were: Doenitz, Reichsmarschall Goering, Feldmarschall Keitel, General Jodl, General Oberst Guderian, Kapitaen zur See Frhr von Wangenheim, General Korten, Oberst Christian and WFST/op M (name not known).

28. *25.11.43* Meeting between Doenitz and Hitler at Wolfsschanze. Those present were: Reichsmarschall Goering, Feldmarschall Keitel.

29. *26.11.43* Meeting between Doenitz and Hitler at Wolfsschanze continued. Those present were again: Reichsmarschall Goering, and Feldmarschall Keitel.

30. *19.12.43* Meeting between Doenitz and Hitler at Wolfsschanze.

31. *20.12.43* Meeting between Doenitz and Hitler at Wolfsschanze.

32. *1. 1.44* Visit by Doenitz to Hitler's headquarters "Wolfsschanze". Those present were: Minister Speer, Reichsmarschall Goering.

33. *2. 1.44* The above meeting was continued and the same were present.

34. *3. 1.44* The above meeting was continued and the same were again present.

35. *18. 1.44* Visit by Doenitz to Hitler's headquarters "Wolfsschanze". Those present were: Konteradmiral Wagner and General Jodl, Feldmarschall Kesselring.

36. *19. 1.44* Visit by Doenitz to Hitler's headquarters "Wolfsschanze". Those present were: Konteradmiral Wagner and General Jodl.

37. *26. 2.44* Visit by Doenitz to Hitler's headquarters at the Berghof. Those present were: Feldmarschall Keitel and Vegelein, representative of Reichsfuehrer SS Himmler.

38. *27. 2.44* Visit by Doenitz to Hitler's headquarters at the Berghof continues. Doenitz took part in a discussion with Marshall Antonescu.

39. *20. 3.44* Visit by Doenitz to Hitler's headquarters "Wolfsschanze". Gauleiter Kaufmann was present.

40. *21. 3.44* Visit by Doenitz to Hitler's headquarters "Wolfsschanze" continues.

41. *12. 4.44* Visit by Doenitz to Hitler's headquarters at the Berghof. Those present were: General Jodl and Reichsmarschall Goering.

42. *13. 4.44* Visit by Doenitz to Hitler's headquarters at the Berghof. Those present were: General Jodl and Reichsmarschall Goering.

43. *4. 5.44* Visit by Doenitz to Hitler's headquarters at the Berghof. Reichsmarschall Goering was amongst those present.

44. *5. 5.44* Visit by Doenitz to Hitler's headquarters at the Berghof continues. Reichsmarschall Goering was amongst those present.

45. *6. 5.44* Visit by Doenitz to Hitler's headquarters at the Berghof continues. Reichsmarschall Goering was probably again present.

46. *12. 6.44* Visit by Doenitz to Hitler's headquarters at the Berghof. Those present were: Reichsleiter Bormann, Konteradmiral von Puttkamer, Konteradmiral Voss, Konteradmiral Wagner, Feldmarschall Keitel, General Jodl.

47. *9. 7.44* Visit by Doenitz to Hitler's headquarters, Wolfsschanze. Those present were: Feldmarschall Model, General Friesner, Generaloberst von Greim, Reichsfuehrer SS Himmler, Feldmarschall Keitel, Generaloberst Jodl and General Korten.

48. *29. 6.44* Visit by Doenitz to Hitler's headquarters at the Berghof accompanied by: Konteradmiral Wagner, Korvettenkapitaen Hansen-Nootbar, also present were Feldmarschall von Rundstedt, Feldmarschall Rommel, Feldmarschall Keitel, Generaloberst Jodl, Reichsmarschall Goering and Feldmarschall Sperrle.

49. *30. 6.44* Visit by Doenitz to Hitler's headquarters at the Berghof continues. The above were probably again present and also Foreign minister von Ribbentrop.

50. *1. 7.44* Visit by Doenitz to Hitler's headquarters continues. The above were probably again present.

51. *11. 7.44* Visit by Doenitz to Hitler's headquarters at the Berghof. Those present were: Konteradmiral Wagner, Korvetten Kapitaen Hansen-Nootbar.

52. *12. 7.44* Visit by Doenitz to Hitler's headquarters at Berghof. Those present were: General Korten and General Buhle, Konteradmiral Wagner, Korvetten Kapitaen Hansen-Nootbar.

53. *13. 7.44* Visit by Doenitz to Hitler's headquarters at Berghof continues. Those present were: Feldmarschall Keitel, Reichsfuehrer SS Himmler, Konteradmiral Wagner and Korvetten Kapitaen Hansen-Nootbar.

54. *20. 7.44* Visit by Doenitz to Hitler's headquarters accompanied by Konteradmiral Wagner, Korvetten Kapitaen Hansen-Nootbar.

55. *21. 7.44* Visit by Doenitz to Hitler's headquarters continues. The above were again present.

56. *13.10.44* Visit by Doenitz to Hitler's headquarters Wolfsschanze accompanied by Konteradmiral Wagner and Kapitaen-leutnant Luedde-Neurath. Reichsfuehrer SS Himmler, Kpt. zur See Conrady, SS Gruppenfuehrer Vegelein, State Counsellor Johst, Obersturmbannfuehrer Grontmann, Generaloberst Jodl, Feldmarschall Keitel, Reichsmarschall Goering, Reichsminister Speer, were also present during the day.

57. *14.10.44* Visit by Doenitz to Hitler's headquarters Wolfsschanze continues. Generalfeldmarschall Keitel, Reichsfuehrer SS Himmler, Konteradmiral Wagner, Kapitaen-leutnant Luedde-Neurath, Reichsmarschall Goering were amongst those present.

58. *31.10.44* Visit by Doenitz accompanied by Konteradmiral Wagner and Kapitaen-leutnant Luedde-Neurath to Hitler's headquarters "Wolfsschanze". Those present were: Feldmarschall Keitel, Generaloberst Jodl, Konteradmiral Voss.

59. *1.11.44* Visit by Doenitz to Hitler's headquarters "Wolfsschanze". Those present were: Konteradmiral Wagner and Kapitaen-leutnant Luedde-Neurath. Konteradmiral Voss, Generaloberst Jodl, Chef O.K.W. (Keitel), Reichsleiter Bormann.

60. *2.11.44* Visit by Doenitz to Hitler's headquarters Wolfsschanze continues. Those present were: Reichsminister Speer, Konteradmiral Wagner, Kapitaen-leutnant Luedde-Neureth, SS Gruppenfuehrer Vegelein, Konteradmiral Voss.

61. *28.11.44* Doenitz attended situation conference with Hitler in the Reich Chancellery.

62. *30.11.44* Doenitz attended Conference with Hitler. General-leutnant Wenck was present.

63.	*3.12.44*	Meeting between Doenitz and Hitler. Konteradmiral Wagner was present.
64.	*10.12.44*	Doenitz attended situation conference with Hitler. Konteradmiral Wagner was present.
65.	*1. 1.45*	Visit by Doenitz to Hitler's headquarters. Those present were Konteradmiral Wagner and Korvetten Kapitaen Luedde-Neurath.
66.	*2. 1.45*	Visit by Doenitz to Hitler's headquarters continues. Those present were Konteradmiral Wagner and Korvetten Kapitaen Luedde-Neurath.
67.	*3. 1.45*	Visit by Doenitz to Hitler's headquarters continues. Those present were Konteradmiral Wagner and Korvetten Kapitaen Luedde-Neurath.
68.	*18. 1.45*	Doenitz attended situation conference.
69.	*19. 1.45*	Doenitz attended situation conference also present were: Generaloberst Jodl, Reichskommisar Terboven, General Keitel, Chef W.F. St.
70.	*20. 1.45*	Doenitz attended situation conference. Also present were: Feldmarschall Keitel, Reichskommissar Terboven and the representative for coal and transport services.
71.	*21. 1.45*	Doenitz attended situation conference.
72.	*21. 1.45*	Doenitz attended situation conference. Reichsleiter Bormann and General der Infanterie Krebs present.
73.	*23. 1.45*	Doenitz attended situation conference. Those present were: Foreign Minister Ribbentrop, Reichsmarschall Goering, Feldmarschall Keitel, Minister Lammers, Generaloberst Jodl, Reichsleiter Bormann.
74.	*24. 1.45*	Doenitz attended situation conference.
75.	*25. 1.45*	Doenitz attended situation conference. Chef W.F.St. [Jodl ?] was present.
76.	*26. 1.45*	Doenitz attended situation conference. Reichsminister Speer was present.
77.	*28. 1.45*	Doenitz attended situation conference. Kapitaen zur See Assmann present.
78.	*30. 1.45*	Doenitz attended situation conference. Feldmarschall Keitel, Generaloberst Jodl present also General der Artillerie Burgdorff (Chef H.P.A.)
79.	*31. 1.45*	Situation conference probably attended by Doenitz.

80. *1. 2.45* Doenitz attended situation conference. Generalleutnant Wenck and Feldmarschall Keitel were present.

81. *2. 2.45* This situation conference was attended by Doenitz. SS Obergruppenfuehrer Juettner was present.

82. *3. 2.45* This situation conference was attended by Doenitz. General-leutnant Wenck was present.

83. *5. 2.45* This situation conference was attended by Doenitz. Feldmarschall Keitel and Generaloberst Jodl were present.

84. *8. 2.45* Situation conference attended by Doenitz.

85. *9. 2.45* Situation conference attended by Doenitz. The following were present: Oberstleutnant von Greiff, General-leutnant Winter, Konteradmiral Wagner, Standartenfuehrer Zander.

86. *11. 2.45* Situation conference attended by Doenitz. Those present were: Feldmarschall Keitel, Generalleutnant Winter.

87. *14. 2.45* Situation conference attended by Doenitz. Also present were: Generaloberst Guderian, SS Gruppenfuehrer Fegelein, Kapitaen zur See Assmann.

88. *15. 2.45* Situation conference. Those present were: Feldmarschall Keitel, Generaloberst Jodl, Kapitaen zur See Assmann, Generaloberst Guderian.

89. *17. 2.45* Situation conference attended by Doenitz. Also present were: Reichsmarschall Goering, Generaloberst Guderian, Chief of the Operational Staff of the Air Force.

90. *19. 2.45* Situation conference attended by Doenitz. Also present were: Generaloberst Jodl, SS Gruppenfuehrer Fegelein, Oberstleutnant I. G. Hermani.

91. *20. 2.45* Situation conference attended by Doenitz. Generaloberst Jodl, Ambassador Hewel were present.

92. *23. 2.45* Situation conference attended by Doenitz. Also present were: Oberst v. Below, Oberstleutnant I. G. v. Greiff and Major Buchs.

93. *26. 2.45* Situation conference attended by Doenitz. Also present were: Kapitaen zur See von Assmann, General-leutnant Winter, SS Obergruppenfuehrer Steiner, SS Obergruppenfuehrer Kaltenbrunner, Oberstleutnant von Grieff, General Burgdorff.

94.	*27. 2.45*	Situation conference attended by Doenitz. Also present were: SS Gruppenfuehrer Fegelein, General-leutnant Winter, Generaloberst Guderian.
95.	*1. 3.45*	Situation conference attended by Doenitz. Also present were: Kapitaen zur See Assmann, Generaloberst Jodl, and Standartenfuehrer Zander.
96.	*3. 3.45*	Situation conference attended by Doenitz.
97.	*4. 3.45*	Situation conference attended by Doenitz. Generaloberst Guderian was present.
98.	*6. 3.45*	Situation conference attended by Doenitz.
99.	*8. 3.45*	Situation conference attended by Doenitz. Generaloberst Jodl and Generaloberst Guderian were present.
100.	*9. 3.45*	Situation conference attended by Doenitz. Reichsmarschall Goering and Chief of the Operation Staff of the Air Force were present.
101.	*10. 3.45*	Situation conference attended by Doenitz. Feldmarschall Keitel, Generaloberst Jodl and Generaloberst Guderian were present.
102.	*12. 3.45*	Situation conference attended by Doenitz. General der Infanterie Krebs and Feldmarschall Keitel present.
103.	*13. 3.45*	Situation conference attended by Doenitz. General der Artillerie Buhle and Chief of the Operational Staff of the Air Force present.
104.	*16. 3.45*	Situation conference attended by Doenitz. Feldmarschall Keitel, Generaloberst Guderian and Generalfeldmarschall Busch were present.
105.	*17. 3.45*	Situation conference attended by Doenitz. Generaloberst Guderian and Reich Commissioner for Shipping present.
106.	*18. 3.45*	Situation conference attended by Doenitz. Generaloberst Jodl, Minister Speer, SS Standartenfuehrer Zander and Generaloberst Guderian were present.
107.	*20. 3.45*	Situation conference attended by Doenitz. Generaloberst Jodl, General der Artillerie Buhle and Konteradmiral Wagner were present.
108.	*21. 3.45*	Situation conference attended by Doenitz.
109.	*23. 3.45*	Situation conference attended by Doenitz. Generalloberst Guderian was present.

110. *25. 3.45* Situation conference attended by Doenitz. General der Infanterie Krebs was present.

111. *26. 3.45* Situation conference attended by Doenitz. Feldmarschall Keitel, General-leutnant Winter and Generaloberst Guderian were present.

112. *28. 3.45* Situation conference attended by Doenitz. Feldmarschall Keitel was present.

113. *30. 3.45* Situation conference attended by Doenitz. Feldmarschall Keitel, General der Infanterie Krebs and General Buhle were present.

114. *1. 4.45* Situation conference attended by Doenitz. General der Infanterie Krebs was present.

115. *3. 4.45* Situation conference attended by Doenitz. Generaloberst Jodl was present.

116. *4. 4.45* Situation conference attended by Doenitz. Generaloberst Jodl and General der Infanterie Krebs were present.

117. *7. 4.45* Situation conference attended by Doenitz. Feldmarschall Keitel and Generaloberst Jodl present.

118. *8. 4.45* Situation conference attended by Doenitz.

119. *10. 4.45* Situation conference attended by Doenitz. Generaloberst Jodl was present.

I, Richard Long, Lieutenant Commander, R.N.V.R. certify that in the course of registering captured documents, I have compiled from them the attached list of occasions on which Admiral Doenitz attended conferences at Hitler's headquarters. The list of other senior officials who attended the same conferences is added when this information was contained in the captured documents concerned.

I certify that the list is a true extract from the collective documents which I have examined and which are in the possession of the British Admiralty, London.

[signed] Richard Long
Lieutenant Commander, R.N.VR..
2nd January, 1945.

COPY OF DOCUMENT D–649

AFFIDAVIT

I, Richard Arthur Loraine Hillard, Barrister-at-Law, make oath and say as follows:—

1. I was the Judge Advocate at the trial of Obersturmbannfuehrer Hans Wilhelm Blomberg, Obersturmbannfuehrer Hans

Keller, Obersturmfuehrer Georg Ludwig Werner Oppel, Untersturmfuehrer Alfred Kreutz, Obersturmfuehrer Erwin Lang, Rudolf Hermann Theodor Kapp, Willi Friedrick Reinhold Tiege, Oberscharfuehrer George Eberl, Hauptscharfuehrer Friedrich Wilhelm Eisenacher, Obersturmfuehrer George Muller, and Oberscharfuehrer Schmidt, by a Military Court held at the law courts, Oslo, Norway, which sat on Thursday, 29th November 1945 and concluded its sittings on Tuesday, 4th December, 1945.

2. The court was convened by order of Major-General D. A. H. Graham, CB, CBE, DSO, MC, Commander, British Land Forces, Norway, and the President of the Court was Major-General C. H. Miller, CB, CBE, DSO. The prosecution was conducted by Major E. Steel, legal staff officer, Deputy Judge Advocate General's Office, Oslo, and the accused were defended by a serving British officer.

3. The accused were charged with committing a war crime, in that they at Ulven, Norway, in or about the month of July, 1943, in violation of the laws and usages of war, were concerned in the killing of Lt. A. H. Andresen, Petty Officer B. Kleppe, Leading Stoker A. Bigseth, Able Seaman J. Klipper, Able Seaman G. B. Hansen, and Able Seaman K. Hals, Royal Norwegian Navy, and Leading Telegraphist R. Hull, Royal Navy, prisoners of war.

4. There was evidence before the court which was not challenged by the defence that motor torpedo boat No. 345 set out from Lerwick in the Shetlands on a naval operation for the purpose of making torpedo attacks on German shipping off the Norwegian coast, and for the purpose of laying mines in the same area. The persons mentioned in the charge were all the crew of the torpedo boat.

5. The defence did not challenge that each member of the crew was wearing uniform at the time of the capture and there was abundant evidence from many persons, several of whom were German, that they were wearing uniform at all times after their capture.

6. On 27th July, 1943, the torpedo boat reached the island of Aspo off the Norwegian coast, north of Bergen. On the following day the whole of the crew were captured and were taken on board a German naval vessel which was under the command of Admiral von Schrader, the Admiral of the west coast. The crew were taken to the Bergenhus where they had arrived by 11 p.m. on 28th July. The crew were there interrogated by Leut H. P. K. W. Fanger, a naval leutnant of the reserve, on the orders of Korvetten kapitaen Egon Drascher, both of the German Naval Intelli-

gence Service. This interrogation was carried out upon the orders of the staff of the Admiral of the West Coast. Leut. Fanger reported to the officer in charge of the Intelligence Branch at Bergen that in his opinion all the members of the crew were entitled to be treated as prisoners-of-war, and that officer in turn reported both orally and in writing to the Sea Commander, Bergen, and in writing to the Admiral of the west coast.

7. The interrogation by the Naval Intelligence Branch was concluded in the early hours of 29th July, and almost immediately all the members of the crew were handed over on the immediate orders of the Sea Commander, Bergen, to Obersturmbannfuehrer of the SD. Hans Wilhelm Blomberg, who was at that time Kommandeur of the Sicherheitspolizei at Bergen. This followed a meeting between Blomberg and Admiral von Schrader, at which a copy of the Fuehrer order of the 18th October, 1942, was shown to Blomberg. This order dealt with the classes of persons who were to be excluded from the protection of the Geneva Convention and were not to be treated as prisoners-of-war, but when captured were to be handed over to the SD. Admiral von Schrader told Blomberg that the crew of this torpedo boat were to be handed over in accordance with the Fuehrer order, to the SD.

9. The SD then conducted their own interrogation which lasted the greater part of the 29th July. The official of the SD who carried out this interrogation stated at the trial that after the interrogation he was of the opinion that the members of the crew were entitled to be treated as prisoners-of-war, and that he so informed his superior officer. Despite this report and the representations of a superior officer, the crew were dealt with under the Fuehrer order and were executed. The execution was carried out early the next morning, each of the members of the crew being taken to a rifle range adjoining a concentration camp and there shot, one by one, by an execution squad composed of members of the SD.

10. Orders were asked for as to how the bodies should be disposed of, and the officer in charge of the execution party was ordered to dispose of the bodies secretly "in the usual way". He accordingly carried out this order by attaching a charge to each body and exploding it when the body was in the water.

11. It apeared from the evidence that in March or April, 1945, an order from the Fuehrer Headquarters, signed by Keitel, was transmitted to the German authorities in Norway. The substance of the order was that members of the crew of commando

raids who fell into German captivity were from that date to be treated as ordinary prisoners-of-war. This order referred specifically to the Fuehrer order referred to above.

Sworn by the said Richard Arthur Loraine Hillard at 6 Spring Gardens in the City of Westminster this 28th day of Dec., 1945. } [signed] R. A. L. Hillard.

Before me
[signed] C. BUCKLEY
A Commissioner for Oaths.

TRANSLATION OF DOCUMENT D-650

Copy.

Enclosure 1.
KMA 23641/45 secret.

Secret Decree of Grand Admiral Doenitz of the 11.4.45.

I. The enemy has streamed deep into Germany. This fills everyone with sorrow. It is a matter of course that brains are occupying themselves with this difficult situation. My opinion on this matter is as follows:

1. Capitulation means for certain the occupation of the whole of Germany by our enemies along the lines of the partition discussed by them at Yalta. Therefore also the cession (to Russia) of further considerable parts of Germany the west of the Oder. Or does anyone think that at that stage the Anglo-Saxons will not keep to their agreements and will oppose a further advance of the Russian hordes into Germany with armed force, and begin a war with Russia for our sake? In this respect therefore the idea is wrong: not the Anglo-Saxons into the country, then at least the Russians will not come.

The occupation of the whole of Germany further means the conscription of German people throughout Germany for work, particularly in Russia but also in other enemy countries. The majority of these slave-labourers will be demanded by Russia, and she will get them too. Or does anyone think that for the sake of these German people the Anglo-Saxons will then start a war with Russia.

The capitulation further means Bolshevism in the Russian occupied territories, and with it the annihilation of all those elements amongst all classes of the population that are capable of resistance. In the territories occupied by the Anglo-Saxons, National-Socialism will be eliminated at one stroke. The result will be internal chaos and the self-mutilation of the German people. And those intellectual weaklings who think such thoughts of capitulating will be the first to perish or be taken away as slave workers. Or does anybody believe that they will be able to lead the life of peaceful citizens in such a starving chaotic Germany?

2. I turn against the short sighted weaklings who are incapable of forming a judgment—weakling who say: "If we had not had National-Socialism, all this would not have happened". If we had not had National-Socialism, we would have got Communism, growing unemployment and internal political chaos in Germany in the 20s already. Without the rearmament which the Fuehrer brought us, Germany would have been overwhelmed by the Russians; or does anyone believe that the Russians would (in conformity with a code of chivalry) have come to a halt before Germany in his push for expansion to the west, simply because, owing to the smallness of our armed forces, composed of 100,000 men, we were incapable of defending ourselves?

3. I turn against the wiseacres who mention that we should have avoided war with Russia in 1941. If the leadership of the State had done this, the unweakened Russian would have overwhelmed us long ago, at a time which suited him, and then these same wiseacres would have said: "Of course, the leadership of the state should have taken preventive measures by attacking Russia in good time".

4. I turn against the dilettante strategists who say that we should have withdrawn to Germany in good time, when we would have had the arms and the forces at our disposal to defend ourselves. Quite wrong. Exactly the opposite is true. In this war with long range arms like the air force, space is of decisive importance for keeping the enemy as far away as possible from the home territory and from the home armaments. Further: every narrowing of space brings to the enemy too a shortening of his lines and thus a liberation of forces. The narrower the ring becomes, the greater the enemy pressure on the defense ring, and the greater the effectiveness of the enemy's action on the remaining space. So far for the fundamentals of this question. Over and above this, the evacuation of enemy territories is always accompanied by great losses, because the enemy does not after all stand by kindly, but presses after. He therefore gets more and better equipped forces freed for other uses than oneself. If the whole of the armed forces had grasped these problems fully, it would have been better.

5. Please do not worry about the leadership of the state not knowing the state of mind of the population. The Fuehrer knows more about the state of mind of the German population and has taken to heart and pondered the tasks of a leader (arising therefrom) in the field of home politics more than any of us soldiers. Please too be easy in your minds, and do not say too glibly that the whole bag of tricks must be changed completely—that the C-in-C of the navy must now raise 3 army corps from the navy, or remove the armaments from the ships and use them in the land fighting, or do something else. These things too have been discussed with the Fuehrer for a long time, and have been done in as far as the general war situation and existing facts allowed. I therefore have no use for all this unfruitful and brooding criticism. We should rather see the real facts clearly. Only the Fuehrer has for years realized with what danger Bolshevism threatens Europe. For this reason he eliminated our lack of unity and the vast unemployment, made us capable of defending ourselves and, like a preacher in the desert, tried to enlighten Europe on this subject. On the other side stands this Churchill, blinded by hatred—the grave-digger of Britain as a great power, who entered the war to protect the balance of power in Europe and to fight for the freedom of the small nations. What remains now of this balance of power, and what point has the freedom of the small nations reached? Poland and all the other small states in Eastern Europe are provinces of Bolshevik Russia. At latest in the year, perhaps even this year, Europe will realize that Adolf Hitler is the only statesman of stature in Europe. All the negative hyper-criticism is therefore unfruitful and false in its data. Since it is born of weakness, it cannot indeed be otherwise, since cowardice and weakness make people blind and stupid.

II. So it is not only our duty and honour as soldiers that command us to fight obediently, hard and faithfully, incapable of being led astray by anything, but every clear, intelligent reflection also tells us that this is the only way to better our position. Every action in the opposite direction will with all certainty prepare the way for dissolution and extermination and thus for certain destruction. Only by hard endurance are we in a position fully to exploit the military and political possibilities which are and can be in our favour, and to reap their fruits. We cannot speak about the former without realizing our present military intentions to the enemy. About the second — the political possibilities — I should like only to say the following: Europe's blindness will one day come to a sudden end and thereby bring Germany psychological help and political possibilities arising therefrom. If we ourselves give ourselves up before this, it will be too late for these possibilities. Then we will be dead, and they will no longer be of any use. I therefore demand of the commanding officers of the navy—

1. That they clearly and unambiguously follow the path of military duty, whatever may happen. I demand of them that they stamp out ruthlessly all signs and tendencies among the men which endanger the following of this path. They have been given the handling of this work by the Fuehrer's OKW/WFST Qu II 0011538 top secret of the 23. 9. 44. I demand from senior commanders that they should take just as ruthless action against any commander who does not do his military duty. If a commander does not think he has the moral strength to occupy his position as a leader in this sense, he must report this immediately. He will then be used as a soldier in this fateful struggle in some position in which he is not burdened with any tasks as a leader.

2. The honour of our flag on board is holy to us. No one thinks of surrendering his ship. Better go down honourably. That goes without saying for us all. That is just how we behaved in the fighting on land. If it comes to having to defend our naval bases, the place will, according to the Fuehrer's order, be defended to the last man. The watchword will then be—death or victory. Any commander who lacks the moral strength for this and is weakening, must according to the Fuehrer's order, consult his men and hand over command to harder fighters.

3. The Navy will fight to the end. In days to come, posterity will judge it according to its bearing at the biggest crisis in this war. The same goes also for every individual. Former deeds are wiped out if he fails at the decisive hour, to endure which he became a soldier. Or does any-one believe that the enemy respects someone who capitulates in a cowardly manner? He is in fact welcome to him, but is then despised and treated accordingly.

4. Let us be clear about the fact that we have to be the exponents of our people's will to live. Just like the leadership of the state, we must not tire, even if parts of our people were to become, or are, soft, otherwise we would be bad leaders. If someone proves to me that by resignation something better occurs or is achieved, I shall immediately sink into apathy. Till then, however, I shall act according to the exact opposite.

5. Thus the unanimous will to fight of our navy must continue in existence. That is the best contribution we can make to the turning of the present crisis.

A situation is never such that it can not be improved by a heroic attitude. It is certain that any contrary attitude means dissolution and with it chaos and inextinguishable dishonour.

C.-in-C. Navy.

Enclosure 2.

Secret Baltic order of the day No. 19 of the 19. 4. 45.

III. Promotion of under-officers and men who have shown themselves to be personalities in warfare.

(C.-in-C. Navy, Chief Mar. Wehr./Tr. 1 4780 secret of the 10.3.45)

The C.-in-C. Navy has ordered:

I desire that the leaders of units responsible for ratings and the flotilla commanders and other commanders superior to them should interest themselves more in the promotion of those under-officers and men who have shown in special situations in the war that, thanks to their inner attitude and firmness, by energy and inner drive—in short, owing to their gifts of personality—they are capable of taking right decisions independently and of carrying them out without wavering in their aim and with willing acceptance of responsibility.

An example: in a prison camp of the auxiliary cruiser "Cormorau" in Australia, a petty officer acting as camp senior officer, had all communists who made themselves noticeable among the inmates of the camp systematically done away with in such a way that the guards did not notice. This petty officer is sure of my full recognition for his decision and his execution. After his return, I shall promote him with all means, as he has shown that he is fitted to be a leader.

There are more men like that in the navy. They show themselves to be willing to make decisions and to act rightly in the mastering of difficult situations as soon as they are left to their own resources. They thus show their inner value.

These men are to be recommended immediately for training for posts as under-officers or officers. I expect from all the commanding officers designated, rapid and energetic measures.

Enclosure 3.

Secret decree of Grand Admiral Doenitz.

SSD MBKO 6611 7.4. 1315

Re: Plan "Paula" East.

pp..............................

We men of the navy know how we have to act. Our military duty, which we carry out without swerving, whatever may happen to the left and right of us and around us, leaves us standing brave, hard, and faithful like a rock of resistance.

Anyone who does not act like this is a cowardly scoundrel, and must be hanged and a placard tied to him: "Here hangs a traitor who contributed by his low cowardice to German women and children dying, instead of protecting them like a man."

C-in-C. Navy.

PARTIAL TRANSLATION OF DOCUMENT D-653

THE ARCHIVE [Das Archiv]
March 1939, Pages 1841-1846.

RAEDER'S SPEECH, 12 MARCH 1939

Hero Commemoration Day and Day of Freedom to Rearm.

Throughout Greater Germany solemnities took place on the occasion of "Hero Commemoration Day". On March 12th 1939, these solemnities were combined for the first time with the celebration of the freedom to rearm. The day's chief event was the ceremony held in the Berlin State Opera House in Unter den Linden. In the presence of Hitler and representatives of the party and armed forces etc., General Admiral Raeder made a speech, extracts of which are given below:

"Today, four years later, we look back at the road, the mile stones of which are real witnesses of German history. What at that time could be but a hope or expectation—in the heart—of the individual person, but what has previously been for centuries, for so many Germans, a dream and an intense longing, became a reality: *Greater Germany!* In a development which may seem to an outside spectator to be a miracle, but which in reality has been won thanks to an unshakeable power of faith and unparalleled will to act and conscious of his success, the Fuehrer aware of his good right and supported by the weapons given by him to the armed forces since that day, opened the road to the Homeland to the brothers and sisters in Austria (Ostmark) and in the Sudetenland.

This day is an appropriate one for the commemoration as it is not a day of mourning for what has once been lost, but on the contrary it is a day of pride because of that which has been gained forever. The flags and banners which have been hoisted on the tops of the masts are a sign that the *legacy of our dead has been carried out.* Those who gave their lives in the belief of Germany's greatness either in the rejoicing and in the limitless enthusiasm of the year 1914 as in the firm and obstinate determination of the year 1918, would not understand, if we, who through the long and dark years have held in our faithful hands their legacy, today on the day of its fulfillment, were only in mourning.

We see in our dead a *spiritual power*, which reading beyond the grave, allowed the first obstinate belief in a new future of the nation to take roots, we see an image of a fighting soldier of the last year of the war and at the same time an example of fighting courage to the last. It was this power which enabled these men, who were called upon to form a new Reich based on the experience of frontline fellowship and to unite it in the new great German community. In spite of all the insults and sufferings of the period after the war this power achieved a victory! A brilliant victory! and we celebrate this victory by remembering our heroes and at the same time by thinking of our new excellent armed forces. On this occasion we are not forgetting the greatest sacrifice made by our fathers and brothers. Just because this death is the foundation of our greater Germany we remember it with gratitude which will never die. No matter where the German soldier stood and fought, on the ground, at sea, or in the air, on any front, he was always fighting against odds. He has been called upon to make greater and greater efforts and the privations and over-exertions became superhuman. He carried this burden with unshakeable belief in himself and Germany's greatness, being conscious of his responsibility towards his homeland, he considered himself its protection, its shield. He shed blood, he died. And yet he won. If the German armed forces and with them the entire German nation honours their victorious war leaders and if just today the names of the late Field Marshal *von Hindenburg*, of the generals *Ludendorff* and Conrad von *Hoetzendorf* or of the admirals *Scheer* and Count *Spee* and of the greatest of all airmen, Captain *Richthofen* are held in respectful remembrance by everyone, it is so because they already became symbols for us. These symbols embody the thought of the millions of unknown and never mentioned dead which the Great War called away from us in order that the nation should live and the Reich continue to exist. * * * Thanks to him, this way was made possible after the conditions for this gigantic struggle have been created. National Socialism, which originates from the spirit of the German fighting soldier, has been chosen by the German people as its ideology. The German people follow the symbols of its regeneration with the same great love and fanatical passion. The German people has had practical experience of National Socialism and it has not been imposed, as so many outside critics believe. The Fuehrer has shown his people that in the National Socialist racial community lies the greatest and invincible sources of strength, whose dynamic power ensures not only peace at home but also enables us to make use of all the nation's creative powers. He restored to the German people its confidence in itself and in its own ability, and enabled it, through the hallowed right, which had been denied to the German people during their period of weakness, to regain its own strength and apart from that it enabled them to tackle boldly and solve the tremendous problems facing them. With that the German people and its Fuehrer have done more for the peace of Europe and for the entire world than some neighbours are capable of realizing. This is the reason for the clear and unsparing summons to fight Bolshevism and international Jewry, whose race destroying activities we have sufficiently experienced on our own people. Therefore, the alliance, with all similar minded nations who, like Germany, are not willing to allow their strength, dedicated to construction and peaceful work at home, to be disrupted by alien ideologies as by parasites of a foreign race. And therefore the demand for equality of rights and for equal respect with all other nations. These conditions alone can provide a guarantee for a peaceful life together on the globe. Within the sphere of our German racial community, we soldiers received from the Fuehrer the task of protecting our Homeland and our peaceful national development and to be teachers of young soldiers who have been entrusted to us and who pass in numbers through our hands. If later on we instruct in the technical handling of weapons, this task demands that the young soldier should also be taught National Socialist ideology and the problems of life. This part of the task, which becomes for us both a duty of honour and a demand which cannot be refused, can and will be carried out, if we stand shoulder to shoulder and in sincere comradeship to the party and its organization, whose will and actions like ours serve one purpose only, namely the creation of a German man in a community brought together by a common bond. The armed forces and the party thus became more and more united in attitude and spirit. We should have to look to the necessity of a still closer union, if it were not already one of the fundamental principles of the military and national socialist spirit, if we look to see what is happening beyond our frontiers * * *

Germany is the protector of all Germans within and beyond our frontiers. The shots fired at Almeria are proof of that. That.

we can say it today fully conscious of our strength, is the work and the entire merit of one man, whose genial leadership, carried by the unshakeable belief in his people and with immeasurable determination, has led a whole nation in a few years from the deepest night into a bright future, who as the creator of Greater Germany is leading us in his unmistakeable way into the future. This example gave all Germans new hopes, new courage, and his own convictions. The thanks which the armed forces return to their Fuehrer and commander in chief will be the vow of unshakeable faithfulness in obedience and the fulfilment of their duties. Faithfully following his example, we will never stray from the path shown to us and with unanimous determination will give of our best for the people and the Reich. It was the Fuehrer, who led his faithful followers from victory to victory. His conviction gave us strength. His will created a new idealism of action, to which his comrades have stayed faithful to death. Many fell, but they fell as those fighters of the great war fell—for a free Germany. They all planted into a younger generation great tradition of death for a holy cause knowing that their blood will lead the way towards the freedom of their dreams.

Therefore our thought for the millions of dead of the Great War include also those men, who died in the national socialist movement, in the "Freicorps" in Austria and in the Sudetenland, for their free and greater country. And jointly with them we salute the brave men, who voluntarily marched with the columns of the Spanish fighters for freedom, in order to stake their lives for a great idea, the fight against world-bolshevism. They, who died in foreign lands, knew for all times that their blood was shed, in a higher sense, for their country, as a symbol of that mighty torrent of power, that links everything that is German in the world with earthly goods and with blood. And we think also of the dead of the new Wehrmacht, who died a hero's death whilst serving self-sacrificingly, confident of their task as the weapon-bearers of the nation. To us, they are a pledge of the most loyal fulfilment of their duties in the spirit of our great military past.

COPY OF DOCUMENT D-654

DOMINION OF CANADA
PROVINCE OF ALBERTA.
TO WIT,

I, Adolf Schmidt, Official Number N 1043—33 T, do solemnly declare that:

1. I am now confined to Camp No. 133, Lethbridge, Alberta.

2. That on the first day of war, 3 September 1939 a ship of approximately 10,000 tons was torpedoed in the late hours of the evening by the U-30.

3. That after the ship was torpedoed and we surfaced again, approximately half an hour after the explosion the commandant called me to the tower in order to show me the torpedoed ship.

4. That I have seen the ship with my very eyes but that I do not think that the ship could see our U-boat at that time on account of the position of the moon.

5. That only a few members of the crew had an opportunity to go to the tower in order to see the torpedoed ship.

6. That apart from myself Oberleutnant Hinsch was in the tower when I saw the steamer after the attack.

7. That I observed that the ship was listing.

8. That no warning shot was fired before the torpedo was launched.

9. That I myself observed much commotion on board of the torpedoed ship.

10. That I believe that the ship had only one smoke stack

11. That in the attack on this steamer one or two torpedoes were fired which did not explode but that I myself have heard the explosion of the torpedo which hit the steamer.

12. That Oberleutnant Lemp waited until darkness before surfacing.

13. That I was severely wounded by aircraft 14 September 1939.

14. That Oberleutnant Lemp, shortly before my disembarkation in Reykjavik 19 September 1939, visited me in the forenoon in the petty officers quarters where I was lying severely wounded.

15. That Oberleutnant Lemp then had the petty officers' quarters cleared in order to be alone with me.

16. That Oberleutnant Lemp then showed me a declaration under oath according to which I had to bind myself to mention nothing concerning the incidents of 3 September 1939 on board the U-30.

17. That this declaration under oath had approximately the following wording: "I, the undersigned, swear hereby that I shall shroud in secrecy all happenings of 3 September 1939 on board the U-30, regardless whether foe or friend, and that I shall erase from my memory all happenings of this day".

18. That I have signed this declaration under oath, which was drawn up by the commandant in his own handwriting, with my left hand very illegibly.

19. That later on in Iceland when I heard about the sinking of the Athenia, the idea came into my mind that the U-30 on the 3 September 1939 might have sunk the Athenia, especially since the captain caused me to sign the above-mentioned declaration.

20. That up to today I have never spoken to anyone concerning these events.

21. That due to the termination of the war I consider myself freed from my oaths and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

[Signed] Adolf Schmidt

Declared before me at Calgary in the province of Alberta this day of 9th August 1945.

(Signed) W. B. Gore-Hickman
Barrister, Solicitor, Commissioner for Oaths.

TRANSLATION OF DOCUMENT D-655

C-in-C. Navy's private interview with the Fuehrer following the conference on 6.1.1943.

C-in-C. Navy declared that after the remarks just made by the Fuehrer about the morale of the navy, etc., and after the message that he had had passed to him by telephone on 1.1.43, he could no longer consider himself capable of holding the post of C-in-C. Navy, as he was responsible for the morale of the navy.

Fuehrer (Hitler) immediately tried to tone down very considerably his assertions about the morale of the navy, saying he had not criticized the morale of the navy as such, but he had merely contrasted the U-boat arm with the big ships.

R. further explained that the new task, which involved an enormous amount of work and mental and nervous strain, was beyond his powers. In any case, he had intended to request his release from the post of C-in-C. Navy on 30.1.43—after 10 years service under the Fuehrer. He was now asking to be retired on this date, as he was no longer competent to meet the heavy demands, and the danger was ever present that he would one day be considered inadequate for his position.

H. pointed out the constant heavy burden of his own office and was of the opinion that such a release would cause yet another strain for him following the numerous rumours about the pensioning off of the generals.

R. said he agreed that this must be avoided at all costs and if the *Fuehrer was anxious to demonstrate that the parting was of the friendliest* and *wished that the name Raeder should continue to be associated with the navy—particularly abroad, it would perhaps be possible to make an appointment to "Generalinspector", giving appropriate publicity in the Press, etc.* But a new C-in-C. Navy with full responsibility for this office must be appointed. The position of "Generalinspector", or whatever it was decided to call it, must be *purely nominal.*

H. accepted this suggestion with *alacrity;* the "Generalinspector" could perhaps carry out special tasks for him, make tours of inspection, etc. *The name Raeder was still to be associated with the navy.* After C-in-C. Navy had repeated his request, the Fuehrer definitely *agreed to 30.1. as his release date*—he would like to think over the details.

R. referred at the same time to the constant underhand attacks made on the navy by the Reichsmarshall [Goering].

H. tried at first to deny this. However, R. drew attention to his written evidence and mentioned, as an illustration, the Reichsmarshall's assertions viz-a-viz Admiral Marshall about the number of navy personnel. These allegations were made despite the fact that the Reichsmarshall had to admit that the figures had already been corrected at H.Q. by Vice-Admiral Krancke. H. remembered the right figures, which amounted to about 600,000.

COPY OF DOCUMENT D-656

INTERCEPTED DIPLOMATIC MESSAGES SENT BY THE JAPANESE GOVERNMENT BETWEEN JULY 1 AND DECEMBER 8, 1941

From: Berlin
To: Tokyo
29 November, 1941
1393 (In 3 Parts, complete)

By his request, I was supposed to have called on Foreign Minister Ribbentrop during the evening of yesterday, the 28th. Suddenly, however, he requested that the time be postponed and it was not until 10:30 at night that I finally saw him.

This delay was occasioned by the fact that a long conference of the bigwigs of the government and military, from Goering down, was being held at the official residence of the Fuehrer. The war against the Soviet Union has now taken definite shape and the outcome can be unerringly foretold. Next year's campaigns were mapped at this conference, taking into consideration the points brought up at the conference of the various Prime Ministers and Foreign Ministers of Europe. It is an absolute certainty that Japan's moves were also given discussion at this conference.

1. Ribbentrop opened our meeting by again inquiring whether I had received any reports regarding the Japanese-U.S. negotiations. I replied that I had received no official word.

Ribbentrop: "It is essential that Japan effect the New Order in East Asia without losing this opportunity. There never has been and probably never will be a time when closer cooperation under the Tri-Partite Pact is so important. If Japan hesitates at this time, and Germany goes ahead and establishes her European New Order, all the military might of Britain and the United States will be concentrated against Japan.

"As Fuehrer Hitler said today, there are fundamental differences in the very right to exist between Germany and Japan, and the United States. We have received advice to the effect that there is practically no hope of the Japanese-U.S. negotiations being concluded successfully, because of the fact that the United States is putting up a stiff front.

"If this is indeed the fact of the case, and if Japan reaches a decision to fight Britain and the United States, I am confident that that will not only be to the interest of Germany and Japan jointly, but would bring about favourable results for Japan and herself."

I: "I can make no definite statement as I am not aware of any concrete intentions of Japan. Is Your Excellency indicating that a state of actual war is to be established between Germany and the United States?"

Ribbentrop: "Roosevelt's a fanatic, so it is impossible to tell what he would do."

Concerning this point, in view of the fact that Ribbentrop has said in the past that the United States would undoubtedly try to avoid meeting German troops, and from the tone of Hitler's recent speech as well as that of Ribbentrop's, I feel that German attitude toward the United States is being considerably stiffened. There are indications at present that Germany would not refuse to fight the United States if necessary.

Part 2

2. I made enquiries as to the future of the war against the Soviet Union.

Ribbentrop: "The Fuehrer has stated that he is now determined to crush the Soviet Union to an even greater extent than he had planned at first. He is now bent on completely wiping out that state and went on to announce that practically all of the main military objectives had been attained and that a greater part of the German troops would shortly be brought back to Germany.

"Following up those campaigns, the Caucasus campaign will be launched in earnest. Next spring Germany will advance to and cross the Ural Mountains and chase Stalin deep into Siberia."

I: "Approximately when do you expect that?"

Ribbentrop: "The campaign will be launched in about May of next year, according to present schedules."

I: "According to what you say, Germany is apparently preparing to gamble quite a bit in her Russian campaign. We hope that air connections between Germany and Manchukuo can be established at an early time."

Ribbentrop: "That is an item that Germany has been considering for some time. By summer of next year, I do not believe that air connection from the Ural area to Manchukuo will be an impossibility."

3. I then asked him about the campaign against England proper to which he replied that before launching landing operations against England, Germany will probably completely wipe out Britain's influence in the Near East, Africa, Gibraltar and the Mediterranean Sea. I got the impression that more emphasis is being placed on this area than heretofore. So, I asked whether

it was Germany's intention to conclude the war without attempting to go through with a campaign against England.

Ribbentrop: "Germany has, of course, made all necessary preparations for this campaign. However, Germany is in receipt of intelligences which would seem to indicate that all is not well within England herself. For example, we hear that there is a split within the ranks of the Conservatives, that Churchill's influence is on the wane; that Bevin, Chief of the Labour Party, is advocating revolutionary measures. All of these are tending to make the preservation of order there increasingly difficult.

"Of course, I am not one to implicitly believe all of this. However, I am convinced that things are getting bad in England. Under these circumstances, it may be that Germany's various other campaigns may cause England to fall even without our going through with our landing operations against England herself.

Part 3

"In any event, Germany has absolutely no intention of entering into any peace with England. We are determined to remove all British influence from Europe. Therefore, at the end of this war, England will have no influence whatsoever, in international affairs. The Island Empire of Britain may remain, but all of her other possessions throughout the world will probably be divided three ways by Germany, the United States, and Japan. In Africa, Germany will be satisfied with, roughly, those parts which were formerly German Colonies. Italy will be given the greater share of the African Colonies. Germany desires above all else, to control European Russia."

4. In conclusion, I said: "I am fully aware of the fact that Germany's war campaign is progressing according to schedule smoothly. However, suppose that Germany is faced with the situation of having not only Great Britain as an actual enemy but also have all of those areas in which Britain has influence and those countries which have been aiding Britain as actual enemies as well. Under such circumstances, the war area will undergo considerable expansion, of course. What is your opinion of the outcome of the war under such an eventuality?"

Ribbentrop: "We would like to end this war during next year. However, under certain circumstances, it is possible that it will have to be continued on into the following year.

"Should Japan become engaged in a war against the United States, Germany, of course, would join the war immediately. There is absolutely no possibility of Germany's entering into a separate peace with the United States under such circumstances. The Fuehrer is determined on that point."

In closing this conference, Foreign Minister Ribbentrop requested that the contents of our talks be kept a strict secret. Please therefore, exercise particular caution in handling this message.

I have shown copies of this message to the military and naval attache's Lt-Gen. (Vice Adm.?) Nomura, and Maj.-Gen. (Rear Adm.?) Abe. Please show a copy to the army and navy authorities in Tokyo, too.

(In the last section of the first part of this message we wrote * * * "the U.S. would undoubtedly try to avoid meeting German troops" * * * That should have read: "the U.S. would undoubtedly try to avoid war".)

25556 (D)
JD-1: 6942 Navy Trans. 12-1-41-(7)

COPY OF DOCUMENT D–657

INTERCEPTED DIPLOMATIC MESSAGES SENT BY THE JAPANESE GOVERNMENT BETWEEN JULY 1 AND DECEMBER 8. 1941

Secret

From: Berlin.
To: Tokyo. December 8, 1941.
(Priority)
#1437 Limited distribution

Re my #143(97?).[a]

At 1:00 p. m. to-day (8th) I called on Foreign Minister Ribbentrop and told him our wish was to have Germany and Italy issue formal declarations of war on America at once. Ribbentrop replied that Hitler was then in the midst of a conference at general headquarters discussing how the formalities of declaring war could be carried out so as to make a good impression on the German people, and that he would transmit your wish to him at once and do whatever he was able to have it carried out promptly. At that time Ribbentrop told me that on the morning of the 8th Hitler issued orders to the entire German navy to attack American ships whenever and wherever they may meet them.

It goes without saying that this is only for your secret information.

Army 25978 Trans. 12/9/41.

[a] Not available.

PARTIAL TRANSLATION OF DOCUMENT D 658

SKL WAR DIARY, 9 DECEMBER 1942

The Naval commander, West France, reports that during the course of the day explosives with magnets to stick on, mapping material dealing with the mouth of the Gironde, aerial photographs of the port installations at Bordeaux, camouflage material and food and water for several days were found. Attempts to salvage the canoe were unsuccessful. The Naval commander, West France, has ordered that both soldiers be shot immediately for attempted sabotage, if their interrogation which has been begun, confirms what has so far been discovered; their execution has, however, been postponed in order to obtain more information.

According to a Wehrmacht report, both soldiers have meanwhile been shot. The measure would be in accordance with the Fuehrer's special order, but is nevertheless something new in international law, since the soldiers were in uniform.

PARTIAL TRANSLATION OF DOCUMENT D-659

THE WAR DIARY OF THE CHIEF OF U-BOATS

27-9-39.

U-30 comes in
She had sunk:

s.s. "Blairlogie"	4,425 tons
s.s. "Fanad Head"	5,274 tons
	9,699 tons

PARTIAL TRANSLATION OF DOCUMENT D-660

EXTRACTS FROM "MEIN KAMPF"
HUTCHINSON'S ILLUSTRATED EDITION

[Page 556, col. II]

"The soil on which we now live was not a gift bestowed by Heaven on our forefathers. But they had to conquer it by risking their lives. So also in the future our people will not obtain territory, and therewith the means of existence, as a favour from any other people, but will have to win it by the power of a triumphant sword."

[Page 145, col. II]

"Thus I used to think it an ill-deserved stroke of bad luck that I had arrived too late on this terrestrial globe and I felt chagrined at the idea that my life would have to run its course along peaceful and orderly lines. As a boy I was anything but a pacifist and all attempts to make me so turned out futile."

[Page 162, col. I]

"In regard to the part played by humane feeling, Moltke stated that in time of war the essential thing is to get a decision as quickly as possible and that the most ruthless methods of fighting are at the same time the most humane. When people attempt to answer this reasoning by highfalutin talk about aesthetics, etc. only one answer can be given. It is that the vital questions involved in the struggle of a nation for its existence must not be subordinated to any aesthetic considerations."

[Page 256, col. II]

"Had it not been possible for them to employ members of the inferior race which they conquered, the Aryans would never have been in a position to take the first steps on the road which led then to a later type of culture; just as, without the help of certain suitable animals which they were able to tame, they would never have come to the invention of mechanical power, which has subsequently enabled them to do without these beasts."

* * * * * * *

"For the establishment of superior types of civilization the members of inferior races formed one of the most essential prerequisites."

[Page 344, col. II]

"If in its historical development the German people had possessed the unity of herd instinct by which other people have so much benefited, then the German Reich would probably be mistress of the globe today. World history would have taken another course, and in this case no man can tell if what many blinded pacifists hope to attain by petitioning, whining and crying may not have been reached in this way; namely, a peace which would not be based upon the waving of olive branches and tearful misery-mongering of pacifist old women, but a peace that would be guaranteed by the triumphant sword of a people endowed with the power to master the world and administer it in the service of a higher civilization."

[Page 553, col. I]

"In regard to this point I should like to make the following statement: To demand that the 1914 frontiers should be restored is a glaring political absurdity that is fraught with such consequences as to make the claim itself appear criminal. The confines of the Reich as they existed in 1914 were thoroughly illogical; because they were not really complete, in the sense of including all the members of the German nation. Nor were they reasonable, in view of the geographical exigencies of military defence. They were not the consequence of a political plan which had been well considered and carried out. But they were temporary frontiers established in virtue of a political struggle that had not been brought to a finish; and indeed they were partly the chance result of circumstances."

[Page 554, col. II]

"For the future of the German nation the 1914 frontiers are of no significance. They did not serve to protect us in the past, nor do they offer any guarantee for our defence in the future. With these frontiers the German people cannot maintain themselves as a compact unit, nor can they be assured of their maintenance. From the military viewpoint these frontiers are not advantageous or even such as not to cause anxiety. And while we are bound to such frontiers it will not be possible for us to improve our present positions in relation to the other world powers, or rather in relation to the real world powers. We shall not lessen the discrepancy between our territory and that of Great Britain, nor shall we reach the magnitude of the United States of America. Not only that, but we cannot substantially lessen the importance of France in international politics.

"One thing alone is certain: The attempt to restore the frontiers of 1914, even if it turned out successful, would demand so much bloodshed on the part of our people that no future sacrifice would be possible to carry out effectively such measures as would be necessary to assure the future existence of the nation. On the contrary, under the intoxication of such a superficial success further aims would be renounced, all the more so because the so-called national honour would seem to be revindicated and new ports would be opened, at least for a certain time, to our commercial development.

"Against all this we National Socialists must stick firmly to the aim that we have set for our foreign policy; namely, that the German people must be assured the territorial area which is necessary for it to exist on this earth. And only for such action as is undertaken to secure those ends can it be lawful in the eyes of God and our German posterity to allow the blood of our people to be shed once again. Before God, because we are sent into this world with the commission to struggle for our daily bread, as creatures to whom nothing is donated and who must be able to win and hold their position as lords of the earth only through their own intelligence and courage.

"And this justification must be established also before our German posterity, on the grounds that for each one who has shed his blood the life of a thousand others will be guaranteed to posterity. The territory on which one day our German peasants will be able to bring forth and nourish their sturdy sons will justify the blood of the sons of the peasants that has to be shed today. And the statesmen who will have decreed this sacrifice may be persecuted by their contemporaries, but posterity will absolve them from all guilt for having demanded this offering from their people."

[Page 557, col. I]
"Germany will either become a World Power or will not continue to exist at all. But in order to become a world power it needs that territorial magnitude which gives it the necessary importance today and assures the existence of its citizens."

[Page 552, col. II]
"* * * We must take our stand on the principles already mentioned in regard to foreign policy; namely, the necessity of bringing our territorial area into just proportion with the number of our population. From the past we can learn only one lesson. And this is that the aim which is to be pursued in our political conduct must be twofold: namely, (1) the acquisition of territory as the objective of our foreign policy and (2) the establishment of a new and uniform foundation as the objective of our political activities at home, in accordance with our doctrine of nationhood."

[Page 132, col. I]
"Therefore the only possibility which Germany had of carrying a sound territorial policy into effect was that of acquiring new territory in Europe itself. Colonies cannot serve this purpose so long as they are not suited for settlement by Europeans on a large scale. In the nineteenth century it was no longer possible to acquire such colonies by peaceful means. Therefore any attempt at such a colonial expansion would have meant an enormous military struggle. Consequently it would have been more practical to undertake that military struggle for new territory in Europe, rather than to wage war for the acquisition of possessions abroad.

Such a decision naturally demanded that the nation's undivided energies should be devoted to it. A policy of that kind which requires for its fulfillment every ounce of available energy on the part of everybody concerned cannot be carried into effect by half-measures or in a hesitating manner. The political leadership of the German Empire should then have been directed exclusively to this goal. No political step should have been taken in response to other considerations than this task and the means of accomplishing it. Germany should have been alive to the fact that such a goal could have been reached only by war, and the prospect of war should have been faced with calm and collected determination.

The whole system of alliances should have been envisaged and valued from that standpoint. If new territory were to be acquired in Europe it must have been mainly at Russia's cost, and once again the new German Empire should have set out on its march along the same road as was formerly trodden by the Teutonic Knights, this time to acquire soil for the German plough by means of the German sword and thus provide the nation with its daily bread."

[Page 570, col. II]
"As long as the eternal conflict between France and Germany is waged only in the form of a German defense against the French attack that conflict can never be decided, and from century to century Germany will lose one position after another. If we study the changes that have taken place, from the twelfth century up to our day, in the frontiers within which the German language is spoken, we can hardly hope for a successful issue to result from the acceptance and development of a line of conduct which has hitherto been so detrimental for us.

Only when the Germans have taken all this fully into account will they cease from allowing the national will-to-live to wear itself out in merely passive defense; but they will rally together for a last decisive contest with France. And in this contest the essential objective of the German nation will be fought for. Only then will it be possible to put an end to the eternal Franco-German conflict which has hitherto proved so sterile.

Of course it is here presumed that Germany sees in the suppression of France nothing more than a means which will make it possible for our people finally to expand in another quarter. Today there are eighty million Germans in Europe. And our foreign policy will be recognized as rightly conducted only when, after barely a hundred years, there will be 250 million Germans living on this continent, not packed together as the coolies in the factories of another continent but as tillers of the soil and workers whose labour will be a mutual assurance for their existence."

WAR DIARY OF THE COMMANDING OFFICER OF U-BOAT "U-30"

Date and time	Location, wind, weather, sea, light, visibility, moon, etc.	Narrative
22 Aug. 39 04.00 hrs.		Left Wilhelmshaven.
22-28 Aug.	North Sea, wind S.W.2-3, sea 2, misty to foggy	North Sea, Shetlands, Faroes, approached waiting position. Little interference. Were not sighted. (sgd.) Lemp.
28 Aug— *3 Sept. 39* 14.00 hrs.	Square AL 2845	In waiting position. North of operational area in accordance with operational orders for periods of tension. Attempt to negotiate broke down. Hostilities against Poland. (sgd.) Lemp.
3 Sept. 39 14.00 hrs.	Square AL 0278 wind N.W.3, sea 2, swell, visibility good.	Hostilities against Gt. Britain after British declaration of war. Entered operational area at 180°, speed 10 sea miles.
17.00 hrs.		French declaration of war.
17.26 hrs.		Received wireless message: "Open hostilities against Gt. Britain immediately. Don't wait for attack." (sgd.) Lemp.
4 Sept. 39	Wind S.S.W. 5-7, sea 5, squally, misty.	South West corner of operational area. (sgd.) Lemp.

5 Sept. 39	Wind S.W. to W.5, misty.	Sighted steamers, one Norwegian and one passenger vessel. According to schedule this was "Duchess of Bedford" (20,000 tons). In accordance with orders, did not stop her. (sgd.) Lemp.
10 Sept. 39	Wind N.W. 2-3, sea 2	Met U-boat "U-48" on way back home. Took in bread. (sgd.) Lemp.

PARTIAL TRANSLATION OF DOCUMENT D-663

High Command of the Navy.
2nd Section, Naval War Staff/F. O. U-Boats
B. No. Top Secret 6420. A. 1
Copy No. 57. 7 October 1943

TOP SECRET

Operation Order "Atlantic" No. 56 for U-Boats in the Atlantic dated 7 October 1943

5. B * * *

b. *Rescue ships*—A so-called rescue ship is generally attached to every convoy—a special ship of up to 3,000 g.r.t., which is intended for the picking up of survivors after U-boat attacks. These ships are for the most part equipped with a ship-borne aircraft and large motor-boats, are strongly armed (depth-charge throwers) and very maneuverable, so that they are often called U-boat traps by the commander. In view of the desired destruction of ships' crews, their sinking is of great value.

TRANSLATION OF DOCUMENT D-665

AFFIDAVIT

The leaflet "G 42" attached hereto was produced by a British official organization in which I, Arnold Robert Walmsley of the Research Department of the Foreign Office, was working at the time. It contains a mechanical reproduction of a document on three sheets numbered 1, 2, 3 in the leaflet. This document was passed to my section of the British War Office as an original document captured in March 1942 in Lybia from the staff of the 2nd Battery of Artillery Regt. 75 of the German Army.

[signed] A. R. Walmsley.

Hitler's license for the S.S.

The document overleaf contains Hitler's ideas on the "necessity of the Waffen-SS." He wanted the widest possible publicity for them. We are giving them it.

In this secret document one can read Hitler's real war aims for the first time: he is not fighting for the defence of Germany but for the conquest of a new "Greater German Reich."

The task of the Waffen-SS in this new "Greater German Reich" is, according to Hitler's own words, war in the interior.

1. Against whom is the Waffen-SS to conduct war in the interior for Hitler?

Against the subjugated peoples of Europe.

"The Greater German Reich in its final form will not include within its frontiers nothing but national entities who are, right from the beginning, well disposed towards the Reich. It is therefore necessary to maintain, outside the core of the Reich, a *State* military police capable of representing and imposing the authority of the Reich within the country in any situation."

Against all the working class of Europe, including that of Germany.

"Such a formation—proud of its purity—will never fraternize with the proletariat and with the underworld which undermines the fundamental idea * * *."

2. Why does not Hitler wish to employ the Wehrmacht on the Home Front? Because he cannot rely on the German soldier firing on his own compatriots.

"We must never again tolerate in the future that the German Wehrmacht based on universal conscription should be used against its own compatriots, arm in hand, when critical situations arise in the interior."

3. Who has delivered up the German people to the Waffen-SS? Not only Hitler. The Generals were in agreement with this employment of the Waffen-SS on the Home Front. In this manner, they safeguard their own position of power within the state and yet keep a clean record, for they are after all "purely and solely meant for employment against the Reich's external enemies."

Since the 6th August 1940, when Hitler ordered that the Waffen-SS, "having returned home in the ranks of the army after having proved themselves in the field", are to carry out "their tasks as State Police" against the enemy at home, he has increased the Waffen-SS more than tenfold and has turned them into a separate body outside the army.

Hitler cannot disown this official document. He thus silently admits:

That he is not conducting a war of defence but of conquest;

That he has expressly earmarked the Waffen-SS to be his own permanent civil war army on the Home Front.

And the Generals allow Germany to be delivered up by Hitler to Himmler's soldiery.

THE FUEHRER'S IDEAS ABOUT THE WAFFEN-SS

Copy of a copy

SECRET H.Q., O.K.H., 21.3.41.

High Command of the Army
General Staff of the Army /Wes. Dept.
No. 137/3.41 Secret (I)

Subject: Statements of the Fuehrer re future State military police.

Reference: OKH, General Staff of the Army/Army Bes. Dept., No. 24/9.40 Secret of 11.9.40.

Doubts have arisen as to whether, when the Fuehrer's ideas on the Waffen-SS were passed on some time ago, it was intended that they should be given wider publicity. The Chief of the OKW has laid down in this connection that it can be nothing but desirable that the Fuehrer's idea should receive the greatest publicity.

The above-mentioned enactment was only distributed down to commanding Generals at the time. The Fuehrer's ideas re the Waffen-SS are therefore published again in the enclosed.

By Order
Signed: signature
Lieut. Col. in the General Staff.

Enclosure: 1 sheet.

SECRET

Subject: Waffen-SS.

On the 6.8.40 on the occasion of the order for the organization of the Leibstandarte Adolf Hitler (Adolf Hitler bodyguard), the Fuehrer stated the principles regarding the necessity for the existence of the Waffen-SS, as summed up below.

The Greater German Reich in its final form will not include within its frontiers nothing but national entities who are right from the beginning well-disposed towards the Reich.

It is therefore necessary to maintain, outside the core of the Reich, a *State* military police capable of representing and imposing the authority of the Reich within the country in any situation.

This task can be carried out only by a State Police which has within its ranks men of the best German blood and which identifies itself unreservedly with the ideology at the base of the Greater German Reich. Only a formation composed in this way will resist disintegrating influences even in critical times. Such a formation—proud of its purity—will never fraternize with the proletariat and with the underworld which undermines the fundamental idea.

But further, our future Greater German Reich, a body of police will only have the necessary authority over its compatriots if it is trained along military lines.

Our people are so military-minded as a result of glorious events of a warlike nature and indoctrination by the National Socialist party, that a "sock-knitting police" (1848) or a "bureaucratized police" (1918) can no longer prevail. It is therefore necessary for this "State Police" to prove its worth and provide sacrifices of blood at the front in closed formations in the same way as every unit of the armed forces.

Having returned home in the ranks of the army after having proved themselves in the field, the units of the Waffen-SS will possess the authority to execute their tasks as "State Police."

This utilization of the Waffen-SS in the interior is just as much in the interests of the Wehrmacht itself. We must never again tolerate in the future that the German Wehrmacht based on universal conscription should be used against its own compatriots, arm in hand, when critical situations arise in the interior. Such a step is the beginning of the end. A state which has to resort to such methods is no longer in a position to use its armed forces against an enemy from without, and thereby surrenders itself. Our history contains sad examples of this. The Wehrmacht in future is intended for all time for use solely against the Reich's foreign enemies.

In order to ensure that the quality of the men in the units of the Waffen-SS always remains high, the organization of the units must remain limited. The Fuehrer sees this limitation in the fact that the units of the Waffen-SS should in general not exceed 5 to 10% of the peace-time strength of the army.

5. 10. Division (mot.)
Sect. IIa/IIb

Div. Battle H.Q., 23.4.41.

Distribution: II & III.
Above copy for information.

1st Arty. Regt. 75
Sect. Ia No. 179/41 Secret.

Sect. Battle H.Q. 3.5.41.
A. B.

SECRET!

Sgd.
Major & Adj.

to 1, 2, 3 Batteries, H.Q. battery.
One copy sent to each with
request that you take note.
A.B.
(signed)
Lieut. & Adj.

1 Battery, Arty. Regt. 75
received 3.5.41
Ref. No. 93/41 Secret.
(initialled)

TRANSLATION OF DOCUMENT D-728

8AS024

COPY

NSDAP Gau Leadership
Hessen-Nassau
Ref. No. 11/35/-B5768 Secret
To the Kreisleiters of the Gau of Hessen Nassau.
Subject: Action by the Party to keep Germans in check until the end of the War.
Reference: Order of the party Chancellery dated 10.2.45 secret.

I request the Kreisleiters to discuss the following with the Ortsgruppenleiters at the next official discussion and simultaneously draw attention hereby to the need for secrecy and radical action in these measures.

1. Every German must be subjected to strict supervision regarding his political firmness and will-power.

2. If during this supervision weaklings are found, i.e. Germans who perhaps have or might have the idea that we are losing the war or that the best thing would be to stop fighting, etc., these Germans are to be given fresh strength, and faith in Adolf Hitler is to be aroused in them again.

3. If Germans are found who spread the story that we have lost the war and that we are on the brink, this rumour is to be

countered with all available means. The Kreisleiters are to have these Germans reported to them and are to ask the Gestapo to arrest them, according to the position of the rumour.

I consider an occasional arrest or the transfer of some Germans to concentration camps as the best method of eliminating such rumour-mongers.

4. The Ortsgruppenleiter must without fail keep all Germans in check and must without fail see to it that they all keep a stiff upper lip to the end because if courage and anger against the enemy fail behind the front, we shall lose the war.

5. It is clear to me that our enemies are crossing the Rhine and entering our Gau too, but they will not conquer the whole of Greater Germany and above all not National Socialism.

6. The Kreisleiters are given strict and secret orders to withdraw, on the approach of the enemy in every area, to the centre of Greater Germany.

All files, particularly the secret ones, are to be destroyed completely. The secret files about post-war reconstruction, purges among party members, the administration, enlargement, installations and deterring work in the Concentration Camps must be destroyed at all costs. Also the extermination of some families, etc. These files must under no circumstances fall into the hands of the enemy, since they were after all secret orders by the Fuehrer. I also hereby give the order that Germans who do not defend themselves on the approach of the enemy or who wish to flee, are to be shot down ruthlessly, or, where suitable, hanged to frighten the population.

[sgd] Sprenger
Gauleiter & Commissar for Reich Defense

[in pencil]
terrific.

COPY

To the Kreisleiters of the Gau of Hessen-Nassau.
Ref. No. I/B 37869/8
Subject: Discussion in the Fuehrer's H.Q. about measures still to be carried out before the end of the war and ones that must be carried out very rapidly after the victorious conclusion of the war.

1. *National Health.*

After the national X-ray examination, the Fuehrer is to be given a list of sick persons, particularly those with lung and heart diseases.

On the basis of the new Reich Health Law, which is still being kept secret to begin with, these families will no longer be able to remain among the public, and can no longer be allowed to produce children. What will happen to these families will be the subject of further orders by the Fuehrer. The Gauleiters are to make suggestions.

2. *The Party as a Model for Work.*

All Germans in good public or private appointments must, as far as possible, be pushed out of these jobs under all circumstances and replaced by Party members. An Armed Forces exchange of Party members and other Germans is shortly to be carried out. The names of Non-Party members who could eventually be considered for the Armed Forces and called up in exchange for Party members, are to be sent immediately to the Recruiting District H.Q. Those Party members who, after the victorious termination of the war, are to form the foundation-stone of Greater Germany, are to be kept back from the front up to the last moment. Party members who are not entirely unobjectionable are to be released.

3. *Legal Proceedings.*

No Party member may be brought before a court. In case of criminal proceedings, these are to be conducted by the Kreisleitungen. Party members are to be got off under all circumstances, even when they are inculpated. The good reputation of the Party must under no circumstances be stained publicly, as the party is and remains the model. It is always the Non-Party members who are to be inculpated. To the eyes of foreigners, one must always show a solid party which can never be split up and whose leadership corps and Party members are unity itself.

4. *Food Supply.*

The Fuehrer has again pointed out that the special weekly food ration cards are to be used in strict secrecy and that the supplies are always to be bought at different places. The cards will in future be distributed by the Gauleiter.

Further weekly increases for the Party leadership are coming into force shortly:

Meat, approx. 12500 grams and fat approx. 500 grams.

Ortsgruppenleiters who are not down as self-providers, can also send in requests to the Kreisleitungen. I again point out the need for strict secrecy.

Sprenger
Gauleiter.

PARTIAL TRANSLATION OF DOCUMENT D-729

Secret State Document

NOTES

on the conversation between Field Marshal Goering and the Duce in the Palazzo Venezia on the 23rd October 1942.

* * * * * * *

* * * The Reichsmarshal then described Germany's method in fighting the partisans. To begin with the entire livestock and all food-stuff is taken away from the areas concerned, so as to deny the partisans all sources of food. Men and women are taken away to labour camps, the children to children's camps, and the villages burnt down. Thus for example had the railways in the vast wooded areas of Bialowiza been safeguarded should attacks occur, then the entire male population of villages would be lined up on one side and the women in the other side. The women would be told that all the men would be shot, unless they (the women) indicated which of the men did not belong to the village. In order to save their men, the women always pointed out the stranger. Germany had experienced that, generally speaking, soldiers were no use in carrying out such measures. Members of the Party discharged this task much more harshly and efficiently. For the same reason armies that were strengthened by a political creed such as the German (or the Russian) fought much more energetically than others. The SS, the guard of the old fighters of the Party, who have personal ties with the Fuehrer and who form a special elite, confirm this principle. Under this heading one might mention that communist commissars had rarely surrendered voluntarily. * * *

Berlin, 26th October 1942.
(Sgd.) Schmidt.

TRANSLATION OF DOCUMENT D-730

VOLUNTARY STATEMENT OF PW L.D. 1059
Generalleutnant Walther GROSCH.

During my interrogation on 7 December 1945 I was told to write down all I knew about the *SAGAN* case:

A.

I. All the prisoners of war taken by the German armed forces came under the OKW (Supreme Command of Armed Forces). It was the OKW which framed the necessary regulations and made the ultimate decisions. In relation with outside authorities, i.e. outside the armed forces the OKW. represented PW interests, reserving the ultimate decisions for itself.

For the custody of prisoners of war it made use of Wehrkreiskommandos (Military District HQs) which provided and ran the camps. For matters of administration and discipline the camps in a Wehrkreis (Military District) came under a "Commander of Prisoner of War Camps for the Wehrkreis". The Commander was in charge of all the Germans and prisoners of war within the sphere of his command. In the Autumn of 1943, however, the "Director of Prisoners of War at the OKW" disposed of the services of an Inspector-General of Prisoners of War, who had access to all camps and whose main duty was to check the measures taken to prevent escape.

II. The Luftwaffe had reserved the right to take captured airmen into custody in Camps belonging to the Luftwaffe. These camps were provided by the Luftwaffe in accordance with building regulations issued by the OKW. Camp staffs, from the Commandant down to simple guard belonged to the Luftwaffe. Prisoner of War Camps of the Luftwaffe came en bloc under the "Commander of Prisoner of War Camps of the Luftwaffe". This Commander, as in the case of camps run by the Army, was O.C. Troops in his Luftwaffe camps and responsible for the whole camp routine. With effect from 1st May 1943 this office was dissolved.

Prisoner of War camps of the Luftwaffe came under the Luftgau Kommanda (Territorial Administrative H.Q. of the Luftwaffe). In every respect, particularly with regard to administrative and disciplinary matters. With effect from 1st May 1943 the Luftegau Kommandos took full responsibility for Prisoners of War and for German personnel. The Luftgaukommandos had the whole administration of the camps to supervise. They were in charge of the administration and discipline of German camp staffs and prisoners of war.

To the extent that the disbanded "Office of the Commanders of Prisoner of War Camps of the Luftwaffe" had had duties of inspection and other tasks as the special office dealing with prisoner of war matters (these duties were transferred to the existing Inspectorate of Luftwaffe Construction Troops at the Air Ministry "Reichsluftfahrtministerium"). The name of this Inspectorate was changed, with effect from 1st May 1943, into "Inspectorate of Luftwaffe Construction Troops and Prisoners of War". (L.IN.17). L.IN.17 remained an inspectorate in the Air Ministry and came under the "Director of Air Defence". Chef de Luftwehr".

Air Ministry
Under-Secretary of State [Staatssekretaer]

Director of Air Defence Quartermastergeneral (Air)
[Generalluftzeugmeister]

L.B. L.D. *L.IN.17.* L.In.13

The Inspector of L.In.17 had no right of direct access to higher authority.

With effect from 1 May 1943 Generalmajor Grosch, until then head of the "Q" branch [Oberquartermeister] of the Luftflotte (Air Fleet) 5, was appointed Inspector of this new Inspectorate.

III. The broad outlines of the working instructions of this new Inspectorate had been added by Dept. 2 of the General Staff to the order providing for the setting up of the organization. Final working instructions were to be given only after the office had had a trial period.

The duties of L.In.17 were very soon defined as follows:

1. Passing on of the orders issued by the OKW to the Luftgaukommandos or Luftflottenkommandos. If these orders could not be brought into line with the views of the Luftwaffe, they were to be made the subject of negotiations with the OKW before being passed on to the Luftgaukommandos.

2. Preparation of extensive construction plans in order to provide accommodation in good time for prisoners of war, whose numbers increased steadily after August 1943.

3. Gathering experience in all branches of prisoner of war work: assessing it and issuing directives in suitable form to all Luftwaffe camps.

4. Improvement of staffing and equipment of prisoner of war camps, in particular:

a. through bringing influence to bear on the Personnel Branch,

b. through influence on the Luftwaffe administrative office,

c. through measures for the training of commanders and specialist personnel of the camps.

5. Contact with the Director of Prisoners of War at the OKW, being the office of the Air Ministry dealing with matters concerning the protecting power, the Red Cross, the Y.M.C.A., so far as they concerned the inmates of the prisoner of war camps run by the Luftwaffe.

6. The sphere of work of L. In. 17 did not extend to all matters of obtaining information from prisoners of war.

7. In the General Staff prisoner of war matters were dealt with by Luftwaffe Staff Ic, with whom contact had to be kept (e.g.

when writing to the OKW in matters relating to the Foreign Office, the Protecting Power, etc.). L.In.17 in turn kept close contact with prisoner of war camps by means of tours of inspection to which even officers of the Luftgaukommando were asked. Wherever difficulties were encountered they were either removed by bringing influence to bear on the relevant Luftgaukommando or cleared up at the Air Ministry with the relevant special offices, so far as this was possible, having regard to shortage of staff and material which became more acute from the Summer of 1943 onwards. Additional difficulty was caused by the fact that the Inspector had no authority to issue orders.

B.

Having described the origin and duties of L. In. 17 I come now to escapes in general.

Wherever prisoners of war are kept in custody there will be escapes. It is the right of prisoners of war to escape. In the case of unsuccessful escapes prisoners of war are punished according to the rules of the Geneva Convention. On the other hand it is the right and the duty of the German authorities to prevent escapes. If an escape is successful then the German measures or the German personnel will have to be blamed.

The assessment of a search operation regarding officers who have broken out from a camp, made and passed on to L.In.17 in the year 1943 disclosed that between 300,000 and 400,000 men were employed on prisoner of war duties. At any rate, that is a remarkable number of men who were withdrawn for a fairly long spell from their actual duties.

Taking the conditions into consideration which I had found in the camps, I found it necessary to stress emphatically that L.In.17 should increase the safeguards against escapes. Courses of instruction for Commandants were set up, and, in agreement with the O.K.W., such courses were also instituted for the security officers of the prisoner of war camps, so as to have an adequate number of pre-trained candidates for these posts in the camps that were to be set up, and also to have at any time a reserve on hand which could be drawn on if individual holders of these posts turned out to be failures.

Apart from these measures technical provision had to be made. Up to that time only listening equipment had been supplied by an army authority. The Luftwaffe had no office dealing with security installations. To get things moving at all in this matter, a special person had to be appointed for this work within L.In.17. His job was to be to attend to all matters that would provide additional safeguards against escapes, and to be in a position, by means of the knowledge which he would acquire, to assist the security officers of the camps and make suggestions for local additional safeguards against escapes. Circulars were to be published at regular intervals to pass on suggestions and experiences to the camp Commandants and their security officers. This was the job of Major Thiede whom I mentioned in the Interrogation on Friday, 7th December.

Towards the end of 1943 or the beginning of 1944 a teleprint was received from the office of the Adjutant to the Reichsmarschall, stating that the Reichsmarschall, ordered that instructions were to be issued forthwith to camp commandants to keep close contact with the local SS. and police authorities and to give them ample opportunity to check up on existing security precautions; and that so far as possible requests by the police for improvement should be complied with. The order was passed on to the Luftgaukommandos for circulation to the camps.

For experienced police officers to assist by their advice the Luftwaffe officers who were inexperienced in all matters concerning prisoners of war, could, on principle, only be welcomed. They were not to be granted any influence upon the treatment of prisoners of war, nor was this in fact demanded.

When I look back I can say now that the Reichsmarschall's order was unfortunate because it led only to officers being spied upon by the police, and their support did not prevent any escapes.

C.

The SAGAN Case.

In the middle of January 1944 I was ordered to report to the Ministers' office to carry out a manpower combing-out campaign, called for short the Bodenschatz campaign. To start with this was supposed to last 3 months, and during that time I was away from L.In.17. In my absence Oberst Walde dealt with current matters. I myself was kept informed by him about important matters. Whenever I was in Berlin, I also stayed for a few days with L.In.17 to take a hand in things and to give fresh instructions if necessary. Out of the Bodenschatz campaign a new task developed which forced me to keep only a loose contact with the Inspectorate until I was transferred for good. Oberst Walde became my successor as Inspector of L.In.17.

I mention this because it gives the reason why I cannot reproduce as completely from memory as I would have done, had I watched the Sagan Case unfold itself without any break in my capacity as Inspector.

I cannot remember any more on what day and at what place the news of the mass escape reached me. It can certainly be assumed that it was passed on to me as quickly as possible and that I went through Fuerstenwalde at the next opportunity.

When there has been an escape the camp commandant informed the authorities concerned with recapture according to a plan laid down by the OKW; in addition to these he informs the superior administrative authorities under which the camp comes and also L. In. 17. The Search is a matter for the Police authorities.

A few days after the day of the escape, I cannot remember the date any more, Oberst Walde informed me that the OKW had called a conference in Berlin, I believe on the premises of a high SS and police authority and that L. In. 17. was to send representatives.

I should have liked to have gone myself, but had to attend another conference in Berlin, and asked Oberst Walde to attend as representative of L. In. 17. After his return Oberst Walde informed me that the spokesman of the OKW had informed them that there was a decision by the Fuehrer to the effect that on recapture the escaped British airmen were not to be handed back to the Luftwaffe but were to be shot.

Whether the shooting was already passed on in this form or whether it was paraphrased, I cannot recollect. I suggest that Oberst Walde be questioned on this point. It is however, certain that the danger of their being shot was even then clearly recognizable.

I asked Oberst Walde whether such a far-reaching decision would be notified in writing to the Supreme Command of the Luftwaffe or the Reichsluftfahrtministerium or whether he had been given anything in writing. Oberst Walde gave me to understand that the assembly were told they would receive nothing in writing nor was there to be any correspondence on this subject. The circle of those in the know was to be kept as small as possible. I asked Oberst Walde whether the spokesman of the OKW had said anything to the effect that the Reichsmarschall or the OKL had been informed about the matter. Oberst Walde assured me that the OKW spokesman had told them that the Reichsmarschall was informed.

Up to the time of Oberst Walde's report I had not received even so much as a hint from anywhere that escaped prisoners of war should be treated in any other way than according to the provisions of the Geneva Convention.

The same afternoon I rang up my superior officer, the Director of Air-Defence, to ask time for an interview with General der

Flieger Foerster to be allotted to me. This was fixed for the next morning.

When I came to report I found General Foerster together with his Chief of Staff. I asked General Foerster for permission to speak to him alone and put the facts before him. In conclusion I expressed the opinion that if the British airmen were to be shot

a. There would be a breach of the Geneva Conventions,

b. Reprisal measures endangering the lives of German airmen held by the British as prisoners of war would have to be expected.

I asked General Foerster to bring the matter to the notice of the Reichsmarschall even at this very late stage, and to stress those two points.

General Foerster was immediately prepared to do this. When it came to the choice of the way in which the matter could be brought to the attention of the Reichsmarschall, it was decided to report to the Under-Secretary of State [Staatssekretaer], Generalfeldmarschall Milch.

In my presence General Foerster rang up the office of the Under-Secretary of State [Staatssekretaer] and obtained the interview at once. General Foerster left the room and while doing so he instructed me to wait for his return in his study. After some time General Foerster came back and told me that he had reported the matter to the Under-Secretary of State [Staatssekretaer] and that Feldmarschall Milch had made the necessary notes.

I gave Oberst Walde the order, despite the ban by OKW to incorporate a detailed written statement about the conference in our records. So far as I know this was done.

I have made the above statement voluntarily and without compulsion.

(Sgd.) GROSCH
Generalleutnant

Signed in my presence:

(Sgd.) A. P. SCOTLAND
Lt.-Col.

TRANSLATION OF DOCUMENT D–731

VOLUNTARY STATEMENT BY PW LD 1060
Oberst Ernst WALDE

In the matter of the mass escape of captured British Air Force officers from Prisoner of War Camp No. 3 of the Luftwaffe at Sagan on 24/25 Mar 1944 I make the following statement. I have to point out that, in view of the absence of any documents, I am forced to reconstruct events, which happened almost a year and 9 months ago, completely from memory. I therefore ask that this fact and the possibility thus arising of my making mistakes be taken into consideration, and that due allowances be made for reservations which I am forced to make here and there.

The escape of about 30–40 prisoners (the exact number had to be ascertained by roll-call) was reported by telephone from the Sagan Camp to the 'Inspektion' in the early office hours of 25 Mar—I think it was Saturday morning—and duly passed on in the same way by this office to the higher authorities which were to be informed in case of mass escapes. These were

1. Office of the Adjutant of the Reichsmarschall.
2. The Supreme Command, Director of PW (O.K.W. Chef Kgf)
3. Inspector General of PWs (Generalinspecteur des Kriegsgefangenenwesens)
4. Director of Operations Air Ministry (Chef der Luftfahrt).

'Inspektion 17' came under the departments numbered 2 and 3 for duty, while it was subordinate to the Director of Operations Air Ministry (Chef der Luftfahrt—General Foerster) for discipline.

The Inspector at that time, General Grosch, was not present on that day; I am unable at present to say where he was, because from the beginning of Jan 1944 till about the end of Mar 1944 he had other duties which entailed very much travelling, and during this time he returned to the office only at intervals and for very short periods. On each occasion he asked for an account of the more serious events which had occurred during his absence, except in cases which I had already reported to him personally by telephone or in writing. This mass escape I also probably reported to him immediately, although I cannot now state the day, hour or place. But, as far as I remember, it must have been Saturday evening, immediately after my return from Sagan, because I still remember distinctly hearing him say on the 'phone: "But you should have had your journey to Sagan by car authorized by General Foerster." (Journeys of a distance exceeding 200 km had to be authorized by a full General). As no further reports had come from Sagan, I suddenly decided to drive to Sagan that same morning with the Inspector's duty car to form my own opinion as quickly as possible and above all to get detailed statements concerning the method and scale of the escape, so that I could make a more precise report by teleprinter, especially to the office of the Adjutant of the Reichsmarschall. I knew that this department especially was most keen to be first informed about such incidents within its sphere. I made this report by teleprinter from Sagan before my departure for Fuerstenwalde, giving a short, telegraphic account of the circumstances from my own observation and from the report of the Camp Commandant, Oberst von Lindeiner. A roll-call taken in the meantime had revealed the number of escapees as 80, as far as I can remember, of whom 4 had been recaptured in the tunnel and had been taken back to camp immediately. My stay at Sagan extended over midday.

Oberstleutnant Mueller was there at the same time with me, having been sent by the Director General of PWs [Generalinspekteur fuer das Kriegsgefangenenwesen] to make investigations and to send a personal report to the Director General.

In the meantime it had been made known, probably through the Police Department at Breslau [Kriminalpolizei Leitstelle Breslau], which had to be notified of the escape immediately by the camp, that the geneeral alarm [Grossfahndung] had now been raised. To my knowledge this meant that the Security Service [Reichssicherheitsdienst] was brought into action with all its organizations: a machine, which apart from the permanent police forces comprised perhaps hundreds of thousands of male auxiliaries, who for the period of the emergency were taken from their ordinary work in the fields or the factories. The order for a 'Grossfahndung' could only be given, I believe, by the highest authority, and all orders and provisions for the recapture of the escapees were exclusively within the competence of the Security Service (Reichssicherheitsdienst) and therefore completely and solely their responsibility.

Luftwaffeninspektion 17, being a department of inspection, basically had no power of command even within its own sphere —except, perhaps, in special cases. Therefore, naturally, they had no influence in cases like the present, where prisoners deliberately renounced the protection of the Army, or rather the Air Force, and the moment they left the camp entered the sphere of those responsible for public security. The 'Luftwaffen-Inspektion' could therefore only await the result of the search with interest and instruct the camp to keep them informed.

As recaptured prisoners were not to be taken back to their camp according to an order issued several weeks previously by the Director of PWs (OKW Chef Kgf), and as no information of any kind as to the success or failure of the escape was to be made known in the camp no clear picture could at first be formed about the progress of the search. Not all departments interested in the search apparently knew about this order, but information received by the Sagan Camp in reply to enquiries by telephone could obviously not be checked. It was based partly on reports passed on to the camp by individual police posts, contrary to the above mentioned order, and partly, in the opinion of the camp authorities, on duplicated reports. The figures of recaptured prisoners thus arrived at had no claim whatsoever to be precise and could not be regarded as official. I can make no estimate of the number, nor, despite all my efforts during the last few days, can I remember details about those days; but I seem to remember that the officer responsible for British and American prisoners of war, Major Dr. Huhnemoerder, and I, noted with a certain feeling of relief on the following Monday morning that more than half of the escapees had then been recaptured. On this Monday a conference took place at the Security Headquarters [Reichssicherungshauptamt] at Berlin, Albrechtsstrasse. As far as I can remember this conference had been called by the Director of Prisoners of War (OKW Chef Kgf) and I attended as representative of 'Luftwaffe Inspektion 17', since General Grosch was unable to attend in person, for reasons which I cannot remember; the Director of Prisoners of War, as far as I know, was represented by Oberst von Reurmont, while the Security Office [Reichssicherung—Hauptamt] was represented by Gruppenfuehrer Mueller and Gruppenfuehrer Nebe, the Chief of Police [Kriminalpolizei] at that time. I find it impossible to give a verbatim account of the conversation or to state what was said by every single person. But I remember this much: that we were informed about a conference which had taken place the previous day, that is Sunday, at the Fuehrer's H.Q. in connection with mass escape from Sagan, in the course of which heated discussions had taken place between the participants. In this connection the names of Himmler, Goering and Keitel were mentioned. Whether Ribbentrop's name was also mentioned, I do not remember. The Fuehrer was not mentioned. At this conference appropriate measures were said to have been discussed, or taken, to check any such mass escapes in future. The nature of these measures was not disclosed. Later and more or less in conclusion Gruppenfuehrer Mueller declared that requisite orders had already been given and put into effect the previous morning. Regarding the search for escaped prisoners [Grossfahndung] he could or would not make any statement: he merely declared that according to reports so far received shootings had taken place at some points for attempted escapes. I think he said the number was 10 or 15.

After these last remarks by Gruppenfuehrer Mueller, which unmistakably caused a shattering effect, it became clear to me that a decision had been made by the highest authority, and that therefore any intervention by subordinate departments was impossible and pointless. Both the Director of Prisoners of War (Chef Kgf OKW) and Luftwaffen Inspektion 17 were faced with a fait accompli, which they could do nothing to alter in view of their relative positions in the whole chain of command.

The whole search operation was exclusively in the hands of the Security Service [Reichssicherungsdienst], which came under Himmler. To this department therefore the full responsibility for everything that happened during this search must be attributed. Whether, if any, orders or instructions were given to this office or issued by it as well as the nature of any such orders has never been known either to me or to the "Inspektor". But from the conference at the Security H.Q. [RSHA] I gained the definite impression that the two Gruppenfuehrer Mueller and Nebe knew of such orders, and probably even issued them personally. On this point the former chief of the Security H.Q. [RSHA] Kaltenbrunner, at present detained at Nurnberg should in my opinion be able to give information.

The various reports still coming in at the "Inspektion" during the following days do not spring to mind; they were mainly being dealt with by the responsible officer (Major Huhnemoerder) and as usually passed on to the director of prisoners of war (OKW Chef Kgf) through the usual channels. Moreover General Grosch was back in the office and took his part in current affairs. The responsible officers referred to him directly so that I was no longer completely au courant. My memory of the days after the conference at Security H. Q. [RSHA] is almost completely blank; alone I am unable to find any clues. I am for instance unable to say when I informed General Grosch on what transpired at the conference which was decisive and of such moment for the "Inspektion". But there is no doubt that I did this as soon as possible. For he was the "Inspekteur" and as such the decision on what to do and what not to do was solely his. On the further course of events connected with the mass escape and the way they were being dealt with I have no memory as I have already stated: all instructions of the police [Kriminalpolizei] went through Breslau Police Headquarters directly to the camp in which at that time there were constantly officials from Breslau. The "Inspektion" heard for instance among other things from the camp that the slowly accumulating urns of the dead were to be collected and buried collectively in the camp on a certain day. About this, as about all other queries, the responsible officer is the best informed person, because being continuously present in the office, he took all reports and queries and had to deal with the complete correspondence and returns concerning Anglo-American Ps W of the Luftwaffe. As far as I know a final report, again giving lists of figures and names, was rendered with several copies of the "Inspektion" to the Director of Prisoners of War [OKW Chef Kgf].

By order of the G.O.C., Luftgau Kdo III Berlin, General Hoffman, responsible for the discipline of Sagan Camp, Oberst von Lindeiner, Camp Commandant, was relieved of his duties on the afternoon of the day of escape and instructed to remain in his room at the disposal of the authorities. The next senior officer Oberstleutnant Cordes, was put in charge of the camp for the time being. Later he was replaced by the new Commandant, Oberst Braune. On the conclusion of investigations carried out by order of Luftgau Kdo. III in collaboration with the Police HQ Breslau [Kriminalpolizei-Leitstelle Breslau], court martial proceedings were instituted against Oberst von Lindeiner, as the result of which he was condemned to one year's confinement in a fortress. Whether this sentence on which the inspection gave its opinion in writing before it was submitted to the Reichsmarshall, was confirmed by him or not, I do not know.

I have made the above statement absolutely freely and without compulsion.

(Sgd.) Ernst WALDE
(Sgd.) A. P. SCOTLAND, Lt. Col.

Signed in my presence
L.D.C. 13 December 1945.

TRANSLATION OF DOCUMENT D-734

Note of a conversation between the Reich Foreign Minister and the Duce in the presence of von Mackensen, Alfieri and Bastianini on the 25th Feb 1943.

During the further course of the conversation, the Reich Foreign Minister came to speak about the possibilities of a landing by the British and Americans. It was in itself difficult to say where a landing would take place. But information was collecting according to which England intended to proceed against Corsica and Sardinia. In this connection the question of fortifying these islands became one of decisive importance. The Army engineers staffs, placed at the disposal of Italy are of the opinion that the fortification of Sardinia is totally inadequate and that, in case of a serious British landing, Sardinia would be occupied. The Fuehrer believed that the enemies were aware of the fact that the transport problem was becoming more and more difficult for them and they would therefore undertake landing operations as soon as possible.

Further, the Reich Foreign Minister dealt with the Jewish question. The Duce was aware that Germany took up a radical position on the question of the treatment of the Jews. As a result of the development of the war in Russia it had gained even greater clarity. All Jews had been transported from Germany and from the territories occupied by her to reserves in the East. He (the Reich Foreign Minister) knew that this measure was described as cruel, particularly by the enemies. But it was necessary, in order to be able to carry the war through to a successful conclusion. It could still be called relatively mild, considering its enormous importance. Experience had taught that wherever there were Jews, no pacification took place. The Jews were the propagators of the Anglo-American news and of other rumors, and spread all around them such defeatism that one was forced to apply special measures against them, not only for general ideological considerations, but also for purely practical ones.

France also had taken measures against the Jews, which were extremely useful. They were only temporary, because here too the final solution would be in the deportation of the Jews to the East.

He (the Reich Foreign Minister) knew that in Italian military circles—just occasionally amongst German military people too—the Jewish problem was not sufficiently appreciated. Only this could he understand as an order of the Commands Supreme which cancelled measures in the Italian occupation Zone of France that had been taken against the Jews by the French authorities acting under German influence.

The Duce contested the accuracy of this report and traced it back to the French tactics of causing dissension between Germany and Italy. The Jews had in fact been concentrated by the Italians in various camps. Nevertheless he admitted that the Reich Foreign Minister was right with regard to the remark that the military people had not got the right sentiment where the Jewish problem was concerned. He traced this back to their dissimilar mental preparation, amongst other things.

Referring to his discussions with Alfieri, the Reich Foreign Minister stressed the fact that the Jew was Germany's and Italy's greatest enemy. The British were perhaps sometimes somehow still decent people.

But the Jews hated National Socialist Germany and the Fascist-Italy fanatically. If one was to allow 100,000 Jews to remain in Germany or Italy or one of the territories occupied by them, then—with the Jews skill—this would be roughly equivalent to letting 100,000 Secret Service agents into one's country, giving them German nationality as camouflage and top of that equipping them with inexhaustible financial means.

Rome, the 27th Feb. 1943.

PARTIAL TRANSLATION OF DOCUMENT D-735

Note Reich Foreign Minister.
5/ /42 Secret Reich Matter.
Secret Reich Matter.

Note

On the discussion between the Reich Foreign Minister and Count Ciano in the presence of Field Marshal Keitel and Marshal Cavallero in the Fuehrer's HQ after breakfast on the 19th Dec 1942.

The Reich Foreign Minister began by pointing out that * * * and said that * * * Field Marshal Keitel had told the Italian gentlemen that the Croatian area was to be cleaned up by German and Italian troops working in cooperation, and this while it was still winter, in view of the strong British influence in this area. The Fuehrer had declared that the Serbian conspirators were to be burnt out, and that no gentle methods might be used in doing this.—Field Marshal Keitel here interjected that every village in which partisans were found had to be burnt down —. Continuing, the Reich Foreign Minister declared that Roatta must not leave the third zone, but must on the contrary advance, and this in the closest collaboration with the German troops. In this connection Field Marshal Keitel requested the Italian gentlemen not to regard the utilization of Croatian troops to help in this cleaning up operation as a favoring of the Croatians. The Reich Foreign Minister stated in this connection that the Poglavnik (Croatian Fuehrer), to whom he had spoken very clearly, was 100% ready to come to an agreement with Italy. * * *

Berlin, the 23rd December 1942.
[Sgd] SCHMIDT.

PARTIAL TRANSLATION OF DOCUMENT D-736

Note Fueh. 25/43. Secret State Matter.
Notes Secret Reich Matter.

On the discussion between the Fuehrer and the Hungarian Regent Horthy in Klessheim Castle on the morning of the 17th April 1943.

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The Fuehrer then described to Horthy the German rationing measures which were carried out with perfect orderliness. There was no black market in Germany, and the peasants willingly delivered the quotas fixed for them. For produce which they placed at the Government's disposal over and above these quotas they were paid considerably higher prices by government offices in some cases even double the price, so that the peasants also had the possibility of getting hold of some money in this way. Horthy remarked to this that these problems were very difficult for Hungary. He had so far been unable to master the black market. The Fuehrer replied that it was the fault of the Jews who considered hoarding and profiteering as their main sphere of activity even during a world war, in exactly the same way as in England sentences for rationing offenses and the like now chiefly concerned Jews. To Horthy's counter-question as to what he should do with the Jews now that he had deprived them of almost all possibilities of livelihood, he could not kill them off—the Reich Foreign Minister declared that the Jews must either be exterminated or taken to concentration camps. There was no other possibility. To Horthy's remark that it was easier for Germany in this respect, because she did not possess so many Jews, the Fuehrer quoted figures which showed the extraordinarily great predominance of Jews in certain professions. Horthy replied that he had not known this at all. In this connection the Fuehrer came to speak of the town of Nurnberg, which had not tolerated any Jews within its walls for 400 years, while Furth admitted Jews. The result was that Nurnberg flourished greatly and Furth degenerated completely. The Jews did not even possess organizational value. In spite of the fears which he (the Fuehrer) had heard repeatedly in Germany also every thing continued to go its normal way without the Jews too. Where the Jews were left to themselves, as for instance in Poland, the most terrible misery and decay prevailed. They are just pure parasites. In Poland this state of affairs had been fundamentally cleared up. If the Jews there did not want to work, they were shot. If they could not work, they had to succumb. They had to be treated like tuberculosis bacillae, with which a healthy body may become infected. This was not cruel, if one remembered that even innocent creatures of nature, such as hares and deer, have to be killed, so that no harm is caused by them. Why should the beasts who wanted to bring us Bolshevism be spared more? Nations which did not rid themselves of Jews, perished. One of the most famous examples of this was the downfall of a people who were once so proud—the Persians, who now lead a pitiful existence as Armenians.

* * *

Salzburg, the 18th April 1943.

(SCHMIDT)

Memorandum

Reception of the Hungarian Prime Minister and Foreign Minister by the Reich Foreign Minister at 15.30 hrs on 29.4.1939.

The Reich Foreign Minister started by reviewing the general political situation. He mentioned inter alia that we did not take too serious a view of the wave of propaganda instigated by England. It was, however, dangerous for other countries to join such a constellation. The Berlin-Rome Axis was the strongest element in Europe today. There was no intention on our side of bringing about a quarrel with England. We certainly would not attack. Should France and England, however, desire a quarrel, they could have it any day. We were endeavoring to come to an agreement. The Fuehrer's constant policy would presumably also lead to this agreement. How far we had gone to meet France was shown by our renunciation of Alsace Lorraine. If we intended to attack, we would not have sunk milliards in Western fortifications. If France really did attack us, she would finally sink to the level of a second-rate power at the end of the war, owing to the serious losses which she would have to sustain.

The Reich Foreign Minister added that it was firm conviction that, no matter what happened in Europe, no French or English soldier would attack Germany. Our relations with Poland are gloomy at the moment. It is more than doubtful whether Poland was really well advised when it declined the Fuehrer's extraordinarily far reaching proposal, in which Poland would have been 100% the gainer. In any case this proposal was not one to be repeated.

The South Eastern European area is our sphere of interest. The Rumanian and Yugoslavian Foreign Ministers stated here that their countries would never align themselves with any combination against the anti-Comintern powers, which would indeed be madness in view of relative strength.

The Reich Foreign Minister stressed that should the Western powers unleash a War, Germany and Italy could enter it with about 200 divisions. This number should be counted as double, in view of the leadership of Hitler and Mussolini. On the contrary it would take years before England could really carry through conscription. Its present introduction was a question of psychology and left us quite cold. We naturally knew that the British Empire was still strong. But, in view of the general world situation England would think it over a hundred times, before she started war against us, into which Italy and Japan would immediately be drawn. In such a case Spain would at least maintain benevolent neutrality. In reply to the remark of the Reich Foreign Minister that he had no doubt that in such case Hungary would take up her position by the side of the Axis powers, the Hungarian ministers signified their agreement.

The Reich Foreign Minister then remarked that, in the event of a European war, the United States would in his opinion, send only war material but no soldiers to Europe. The situation was basically altered as compared to the World War owing to the fact that Japan had then been an ally of the Entente. The ratio of the American navy to that of Japan was today 10;7.5. As, however, he considered the morale and quality of the Japanese crews to be double that of the American, one reached a ratio of 15;10. One must, furthermore, throw into the balance the fact that about half the American navy would have to remain in the Atlantic Ocean so that the ratio of the Japanese navy to the American navy would actually work out at 3;1.

Poland constituted a secondary problem for us militarily in which connection one had to remember that the Greater German Reich had a population of 80 millions, while Poland had only 18 million Polish inhabitants.

Both Germany and Hungary could be very content with the events of the previous year. They were now both interested in a peaceful development, so that they could begin by carrying out an internal consolidation of the areas regained to date.

Berlin, the 30th April 1939.

[signed] V. Erdmannsdorff.

PARTIAL TRANSLATION OF DOCUMENT D–738

Notes.

Second conversation of the Reich Foreign Minister with the Hungarian Prime Minister and Foreign Minister on the 1st May at 1530 hrs.

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The Reich Foreign Minister then returned to our attitude towards the Polish question and pointed out that the Polish attitude had aroused great bitterness amongst us. The Poles had every reason to be grateful to us for the return of the Teschen area and for our cooperation in the creation of the common Polish-Hungarian frontier. We had no intention of involving Poland in war; he had however told Beck that a violation of Danzig territory would be considered by us to be a violation of the Reich's frontiers. Though we would welcome an agreement with Poland, he nevertheless begged the Hungarian ministers not to undertake the demarche mentioned at the beginning of these notes, because this would look as if Hungary were not doing this on its own accord but at our instigation. In answer to a remark by the Hungarian Prime Minister to the effect that such a Hungarian communication to Poland would perhaps be proper later, the Reich Foreign Minister said that he could not empower him to do this. He then pointed out again that Poland presents no military problem for us. In case of a military clash, the British would coldly leave the Poles in the lurch.

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Berlin, the 1st May, 1939.
[sgd] von Erdmannsdorff.

PARTIAL TRANSLATION OF DOCUMENT D-740

Memorandum RAM 19/43 secret Reich matter.
Secret Reich Matter.

Memorandum of the conversation between the Reich Foreign Minister and Secretary of State Bastianini in the presence of Ambassadors von Mackensen and Alfieri at Klessheim castle on the afternoon of the 8th April 1943.

The Reich Foreign Minister's supposition that this strike had perhaps been contrived by British agents, was energetically contested by Bastianini. They had been Italian communists, who still existed in Italy, and who received their instructions from Moscow. The Reich Foreign Minister replied that, in such a case, only merciless action was any good. Generally speaking he understood Italy's difficulties, but he did not wish to speak his mind any further on military and technical points, as he was not sufficiently informed on these things and could therefore not permit himself any final judgment. The whole matter would undoubtedly be discussed fully by the Duce and the Fuehrer. He only wished to say generally that, should reverses occur, energetic action would have to be taken. This had been seen particularly in Russia, where, after the Russians' defeats, Stalin had enforced his will with a really barbaric want of consideration and even cruelty. He did not want to discuss Italy, but rather the occupied territories, where it had been shown that one would not get anywhere with soft methods on the endeavor to reach an agreement. The Reich Foreign Minister then exemplified his train of thoughts by a comparison between Denmark and Norway. In Norway, brutal measures had been taken which had evoked lively protests, particularly in Sweden. In this connection he had to recall that, after the collapse of France, the very same Swedes had negotiated about the cession of Narvik who today were lamenting the fate of their "Norwegian brothers", from whom they had wanted to take valuable territory at that time without further ado. The strict regime in Norway had been of great service to that country, as it would very largely have become a theatre of war if Germany had not thrown out the British. In Denmark he had, with the assistance of the very clever Dr. Best, who had been appointed as German representative and who had at one time been one of Heidrich's collaborators, tried an experiment to ascertain the effect of the method of the gentle hand and of agreement. The result was that no more acts of sabotage took place in Norway, whilst they were increasing in number in Denmark.

In Greece too, brutal action would have to be taken if the Greeks got fresh. He was of the opinion that the demobilized Greek army should be deported from Greece with lightning speed, and that the Greeks should be shown in an iron manner who was master in the country. Hard methods of this kind were necessary if one was waging a war against Stalin, which was not a gentleman's war but a brutal war of extermination.

One could not do Laval a better service either than to act in an energetic manner. In this connection the Reich Foreign Minister also informed Bastianini about the supervision of Petain to prevent his escape from France. Here only Draconian measures would prevail. He had therefore pointed out in Rome certain things which were going on on French territory and proposed that the French police be allowed to commit themselves quietly and that they should not be interfered with when taking unpopular measures.—Bastianini remarked to that that the French police were playing a double game.—The Reich Foreign Minister went on to explain that these kinds of reflections lay further from the minds of soldiers, so that politicians had to intervene here. He himself had done this in many cases with regard to decisions of the military in the occupied countries.

Coming back to Greece, the Reich Foreign Minister once again stressed the necessity of taking severe measures. The dynamic forces of the peoples conquered by the Axis were naturally directed against conquerors. An agreement, for instance between Italy and Greece, was simply impossible. One therefore had merely to restrict oneself to appointing a government that would obey Germany and Italy as far as possible.

If the Axis were to publish a statement at all, this could only be done at a time when the military situation was a hundred percent in their favor. The following difficulty also existed: the

Fuehrer would have to take radical measures in the occupied territories to mobilize the local labor potential, in order that the American armament potential might be opposed by something of equal value. If governments were now to be appointed in the occupied territories these measures would be rendered immensely more difficult by this. If however, the occupied territories were promised their independence at the present moment, the effect of such a declaration would have vanished 14 days later. They had to be offered clear and substantial concessions. Should they, however, be granted governments for example, then the dynamic forces of these countries, which had been latently directed against the Axis and which clearly appeared in Holland and France for example, would be consolidated thereby and provided with points of crystallization which would finally lead to a situation in which twice the present number of divisions would have to be despatched there in order to keep the new political will in check.

Salzburg, 10 April 1943.
(signed) Schmidt.

PARTIAL TRANSLATION OF DOCUMENT D–741

Secret Reich Matter.
Memo. RAM 7b/43.

Memorandum about the discussion between the Reich Foreign Minister and Ambassador Alfieri in Berlin on the 21st February 1943.

Continuing the Reich Foreign Minister brought the discussion round to the Balkan area, where a certain concern was felt on the German side regarding the attitude of the Italian army, of this concern the Duce had already been informed. The Italian army must become active in Croatia now. He (The Reich Foreign Minister) had to inform Alfieri quite frankly that the policy of arming the Cetnici as pursued by General Roatta, had been a big mistake and would produce devastating results in the event of a British landing. The whole problem had been discussed thoroughly with Ciano and Coballero. Both gentlemen had promised all that Germany desired, but nothing had happened.

Three to four German divisions were at the moment engaged in clearing up the bandits. But the collaboration of the Italian army was absolutely necessary for the attainment of really final results. Roatta believed that he could play off one party against the other, but in doing this he overlooked the fact that the apparently opposed elements like the Tito gangs, the Cetnici and the followers of Mihailovic were united in their hatred of anything

Italian or German and were quite frankly referred to by Eden as the British advance guard in a possible invasion attempt.

The continued existence of these gangs, which carried out acts of sabotage like the demolition of bridges and such like, and who would thereby endanger the supplies, which had to rely on a single railway line, were so dangerous owing to this very possibility of an English landing on the Adriatic coast of the Balkans.

Alfieri remarked in this connection that, as far as he remembered, Cabellero had entirely agreed with the policy of force suggested by Germany, and had already told him (Alfieri) that he had made the necessary arrangements.

Continuing, the Reich Foreign Minister emphasized that the conditions which Roatta's policy had helped to produce in Croatia were causing the Fuehrer great concern. It was appreciated on the German side that Roatta wished to spare Italian blood, but it was believed that he was, as it were, trying to drive out Satan with Beelzebub by this policy. The gangs had to be exterminated, and that included men, women and children, as their continued existence imperiled the lives of German and Italian men, women and children.

Berlin, the 22nd February 1943.

[signed] Schmidt
Ambassador Schmidt.

TRANSLATION OF DOCUMENT D-744-A

QUESTIONNAIRE.

I *PARTY DETAILS.*

v Ribbentrop.	Joachim.	Brigadefuehrer.
(name)	(Christian name)	(rank)

Exact home address: Berlin-Dahlem, Lentzeallee 9.
Date of Birth: 30th April 1893.
S.S. number 63 083. Party Membership number 1199 927.

II *PERSONAL DETAILS.*

Married: yes.
Children: four.
Education: Matriculation (Abitur): yes.
Foreign languages: English, French.
Civilian Occupation: Extraordinary and plenipotentiary envoy of the German Reich.

III *MILITARY DETAILS.*

Service in the army before 1914: No, unfit for service because of an operation.
Service during the war: Yes.

Rank: Lieutenant.
War decorations: Iron Cross first and second class.
Wound badge: black: Yes.

Fuehrer Questionnaire

Name Joachim v. Ribbentrop. *Rank* Lieutenant Retired.
Party Member No. 1,199,927. *Profession* Merchant.
Residence Berlin - Dahlem, Lentzeallee 9.
How and When can you be reached by telephone: Uhland 1385.
Date of Birth: 30.4.93. *Place of Birth:* Wesel on Rhine.
Married. Children 3. [Pencilled note Rank: S.S. Standartenfuehrer 30.V.37 initials illegible].

Military Service

12th Hussar Regt. from 1.9.14 to 1919.
Last rank held: Lieutenant [Oberleutnant] *Till when:* Until retired.
Orders and decorations: Iron Cross 1st and 2nd class, etc., Wound badge.
Wounded?: Yes. *War Disablement (%)?:* Yes.
Service when a member of the N.S.D.A.P. (Activities?): 1932. Various activities
Belonged to what political associations?
Special knowledge of languages: English, French.
Holds drivers licence?: Yes.

Short Life Summary

Born the son of Lieutenant Ribbentrop on 30.4.93 in Wesel on the Rhine. After leaving school went abroad to study languages, then as a business man and merchant in England, France and especially America and Canada. At outbreak of war in Canada. After interrupted voyage through British blockade in Aug. 14, joined the 12th Hussar Regt as ensign. From October 14 on Western Front. 1915 officer in the Regt on various war fronts. From June 18 Adjutant to the Plenipotentiary of the Ministry for War in Turkey. 1919 Peace commission Adj. to Gen. v. Wresberg [?]. 19 retired with rank of Lt. Then once again merchant. For some years connected with N.S.D.A.P. and helped with S.A. Berlin. Member since 1932. 1932-33 was interested in government formation. Since end of the war and particularly during the last years interested in foreign politics and endeavoured to smooth the path for Nat. Soc. ideology, in foreign countries, especially in England. In 1925, adopted by the line of

Artillery General v Ribbentrop, in order to continue this noble line which was dying out.

Berlin-Dahlem.
22 May 33.

[signed] v Ribbentrop.

Dept Police Inspector No. 17180.

30 May 1933.

To Baron von Ribbentrop.
Berlin-Dahlem. Lentzeallee 9.

I grant you the rank of S.S. Standartenfuehrer (Colonel) with permission to wear the uniform.

The Reichsfuehrer S.S.
[Initials]

Berlin, 13th March 1936

The Reichsfuehrer SS
Personnel Office
Diary No. 1071
To SS Brigadefuehrer
Joachim von Ribbentrop
Berlin.
Wilhelmstrasse 64.

In accordance with the decree of the 23rd January, 1936, diary No. 370/36 concerning the new organization of the leadership corps of the SS, you are appointed w/e from the 1st April, 1936 SS-leader on the Staff of the Reichsfuehrer SS.

You are requested to send your SS pass for alteration to the personnel office of the Reichsfuehrer SS, Berlin S W 11, Prinz Albrechtstrasse 9.

The personnel representative attached to the Reichsfuehrer
signature [illegible]
SS-Brigadefuehrer

S. S. Brigadefuehrer (Major General)
von Ribbentrop, Joachim.
S.S. No. 63 083—Fuehrer on the Staff of the Reichsfuehrer S.S.

I promote you, with effect from 13th September 1936, to S.S. Gruppenfuehrer (Lt. General).

(Initials) H.H.
[sgd] A.H.

D–744–A

Questionnaire for correcting or adding to the Fuehrer records of the S.S. — Personnel Office

1. *Personal Details.*
Name v. Ribbentrop; *Christian Name:* Joachim:
Rank S.S. Gruppenfuehrer (Major General):
Are you an S.S. Fuehrer at the head office? Yes.
Exact Address (Town) Berlin - Dahlem *(Street)* Lentzeallee 9.
Date of Birth: 30.4.93. *Place of Birth.* Wesel Rhein
Are you married? Yes.
Your wife's maiden name: Henkell *Date and place of Birth* Mainz 12.1.96.
Is your wife a party member. Yes.
Party Membership No. 1411594.
How many male children have you? Two.
How many female? Two.
How old are your sons? 15 years; 1 year.
Your daughters? 14 years; 3 years.
Do your sons attend a national political school? No.
Did you yourself attend a secondary school. Yes.
Up to which form. Obersekunda.
Have you passed matriculation: No.
What did you study? Languages.
What profession did you learn? Merchant.
Which profession are you practising at present? Politician.
Who is your employer? Reich.
Do you possess a driving license? (vehicle?) Yes.
Which languages can you speak and write? French. English.
Have you passed an interpreter's examination?
If so in what languages? No.
Religion. None.

2. *Party Details.*
S.S. No. 63083 *Party Membership No.* 1199927.
Were you a member of the SA? H. J. No.
SA Reserve? No.
N S K K ? No.
Were you a political leader? No.
Do you possess the SS-Totenkopfring (Death's head ring)? Yes.
Do you possess the dagger of Honour of the Reichsfuehrer-SS? Yes.

3. *Details of Military Career. Until the end of the War.*
Did you serve actively? Yes.
In what branch of the Service? 12th Hussars
Did you serve at the Front? Yes.

In what branch of the Service? 12th Hussars.
What rank did you attain? (Oberleutnant) (Lieutenant)
Were you a prisoner of war? No.
What decorations, won in the face of the enemy do you possess?
E K 1, 2. (Iron Cross 1st and 2nd class) and others.
Have you a wound medal (Black, Silver, Gold)? Black.
c. after reintroduction of compulsory service on 16.3.35.
Did you undergo one year's or eight weeks' training, in accordance with the law of 16.3.35.? No.
4. *Abroad*
Have you been abroad? Yes.
Where? England, France, Switzerland, Canada.
For how long? 4 Years.
In what capacity? (Merchant, Farmer, Employee etc.)
Mercantile employee, contractor.
Have you visited any former German colonies? No.

J. v. Ribbentrop
Signature.

21.10.36. SS. Gruppenfuehrer (Major General)
Rank.

To be handed back by 20 Aug. 1937.

QUESTIONNAIRE

for adding to or correcting the card index of leaders and the list of seniority in the service.

Name and Christian name: v. Ribbentrop, Joachim.
Rank and S. S. No.: Gruppenfuehrer (Lt. Gen.), 63 083.
Party No. and date of entry according to Party Book: 1,199,927. 1st May 1932.
S. S. Leader at Head Office?: No.
Married: Yes.
Maiden name of wife: Henkell, Anna Elisabeth.
Date of birth: 12.1.1896.
Place of birth: Mainz.
Party member, N.S.F. N.S.V.F.M.?: (Giving the membership Nos. in each case) Party member No. 1,411,594. N.S.F. 8908. N.S.V. 4,491,301.
Date of birth of sons: Rudolf 11.5.1921. Adolf 2.9.1935.
Date of birth of daughters: Bettina 20.7.1922. Ursula 29.12.1932.
Do your sons go to a national political educational institute:
Rudolf born 11.5.1921 is joining one at the end of August.
Which one: Ilfeld.

Your present occupation: Extraordinary ambassador plenipotentiary of the German Reich—Commissioner for foreign political questions on the staff of the Fuehrer's deputy.
Religion: Gottglaeubig (this is a Nazi designation for people who have left the Christian church but still believe in God).
Military training after the 16.3.35: None.
Driving licenses: Driving license for motor cars.
Other details: Political leader.
Member of the "Lebensborn": Yes.
Holder of the Tulleuchter (Yule beacon)?: Yes.
Decorations of the movement: Golden Party Badge.
Olympia-Decoration (what class): Yes, 1st class.
Medals won in the face of the enemy:
Iron Cross 1st class: Yes.
Iron Cross 2nd class: Yes.
Medal for Front soldiers: Yes.
Wound medal (black, silver or gold): Yes, black.
Mistakes in the list of seniority in the service of 1.12.36, concerning your person: None.
Berlin W. 8. Wilhelmstrasse 62.

24 August 1937.
[signed] Joachim von Ribbentrop.

Berlin 21.7.40.

To S. S. Gruppenfuehrer (Lt. General)
von Ribbentrop, Joachim.
S. S. No. 63 083—Fuehrer on the Staff of the Reichsfuehrer S. S.

I promote you, with effect from the 20th April 1940, to *S. S. Obergruppenfuehrer (General).*

[signed] H. Himmler.
certified copy. (initials) H.H.

Extracts from the SS Register of Joachim von Ribbentrop.
SS No. 63083. *Colonel (Standartenfuehrer)* 31.5.33. *Brigadier (Oberfuehrer)*—20.4.45. *Major General (Brigade Fuehrer)* 18.6.35
Lt. General (Gruppenfuehrer) 13.9.36.
Position in the Party. entered at the beginning of 1932.
Membership No. 1 199 927, worked for N.S.D.A.P. since 1930; *earlier party activities:* worked for N.S.D.A.P. since 1930.
Employed in the party. yes. *Party post:* Commissioner of the Reich for questions of disarmament.

Personal: Name, Von Ribbentrop, Christian Name Joachim.
Occupational training: Merchant.
present occupation: Reich Commissioner for questions of disarmament.
Position in the Occupation: State employee.
Income over 200 Reichsmarks.
Bread Winner Yes
Whether married or single: Married.
Number of children: 1 boy, 2 girls, aged between 1½ years and 13.
Date of birth. 30.4.1893. *Place of birth:* Wesel.
Religion: nil. *Place of residence:* Dahlem.
Address: Lenze Allee 9.
Height 172 cm. *Shoe size* 42. *Size of head* 57 cm.
Knowledge of languages: English, French.
Military service: Unit on active service: 12th Hussars, Torgau, from the 1.9.1914 till 1920.
Last service rank: Oberleutnant a.D. (1st lieutenant retired) since 1919/20.
Orders and decorations: E K I (Iron Cross I)
Wounded: yes; *war disablement:* yes.
Driving license: yes, class 3 C.
(SS) *Unit:* Eastern Sector. SS No. 63083
Remarks: Ehrenfuehrer SS (Honorary SS fuehrer) Eastern Sector 1.4.34 Fuehrer on the Staff of the Reichsfuehrer SS.
Berlin 22.3.1935.

Signed Taulbert
Service rank SS-Standartenfuehrer (Colonel)
Position Staff fuehrer of the Eastern Sector.

[Rubber stamp]
National Socialist German Worker's Party
SS Eastern Sector.

RECORD OF THE ADMINISTRATION OF THE OATH

to SS Gruppenfuehrer Joachim von Ribbentrop as guardian of the "blood and life law" of the S.S. on the 9th November, 1937.

The administered oath was confirmed by shaking hands with me.

The oath reads:

"I undertake, as a Gruppenfuehrer of the SS, to see to it with all my powers that, without consideration of the person of the individual or the achievements of his parents and ancestors only such applicants shall be admitted to the SS as correspond fully and completely to the most rigorous demands of the SS in force at the time.

I shall stand by this, even if it entails the rejection of my own children or of children of my relatives.

I undertake further to see to it that every year one fourth of the applicants for the SS consist of men who are not sons of SS men.

I swear to carry out these obligations by my true allegiance to our Fuehrer ADOLF HITLER and by the honor of my ancestors —so help me God."

The Reichsfuehrer of the SS
[signed] H. Himmler.

TRANSLATION OF DOCUMENT D–744–B

GESTAPO BUREAU
Signal communications.

TELEGRAM

ReichfuehrerSS MUE 2809 9.8.35 1150

To: Head Adjutancy of the RFSS for passing on to SS Obergruppenfuehrer Schmitt Von Ribbentrop has been promoted to SS Brigadefuehrer by the RFSS with effect from 18.6.

[signed] WOLFF
SS Obergruppenfuehrer.

The Head of the SS Head Office
SS Personnel Bureau
Diary No. 19302.

Berlin 9 August, 1935.

TO: SS Obergruppenfuehrer von Ribbentrop, Joachim,
Berlin–Dahlem,
9 Lenze Allee.

The Reichfuehrer SS has promoted you SS Brigadefuehrer with effect from the 18.6.35. The promotion certificate will follow after it has been signed by the Reichfuehrer SS.

You are requested to send in your SS Fuehrer Pass for alteration to the SS Personnel Bureau, Berlin, 9 Prince Albrechtstrasse.

The Head of the SS Personnel Bureau.
(initials)
SS Sturmbannfuehrer.
Head of a main department in the SS Personnel Bureau.

The Extraordinary and Plenipotentiary Envoy of the German Reich.
Adjutancy.

Berlin, W.8.
64 Wilhelmstrasse.
9.9.35.

To the: Head of the SS Personnel Bureau,
Berlin, S.W.
Prince Albrechtstrasse.

In reply to your letter of the 9 August, Diary No. 19302135, I enclose Ambassador von Ribbentrop's SS Fuehrer pass for alteration. Please excuse the delay in replying on the grounds of lengthy absence from Berlin.

Heil Hitler
[signed] THORNER.

Enc.: Ambassador von Ribbentrop's SS Fuehrer Pass.

Rubber Stamp: SS Head Office
Received 20 Sep, 35.
No. 19302135.

The Extraordinary and Plenipotentiary Envoy of the German Reich.
Adjutancy.

Berlin, W.8
64 Wilhelmstrasse,
5.11.35.

To the: Personnel Office of the Reichfuehrer SS
Berlin S.W. 11.,
8 Prince Albrechtstrasse.

In reply to your question, I have to inform you that Brigadefuehrer von Ribbentrop's ring size is 17.

Heil Hitler
[signed] THORNER.

TELEGRAM

Personnel Office Berlin 4 September, 1936.

Rubber Stamp: Personal Files.

SS Brigadefuehrer Joachim von Ribbentrop,
Berlin–Dahlem,
Lentzealle, 9.

The Fuehrer has promoted you to Gruppenfuehrer with effect from the 13.9.36. The Reichfuehrer SS expresses his heartiest congratulations. The new badges of rank can be put on for the Reich Party Rally.

The Personnel Representative attached
to the Reichsfuehrer SS.
[Initialled] SS. Brigadefuehrer.

D–744–B

Office of the Extraordinary and Plenipotentiary Envoy of the German Reich.

Berlin, W.8,
54 Wilhelmstrasse,
25 January, 1937.

TO: SS Brigadefuehrer Schmitt,
Reich Leadership of the SS,
Berlin, W8,
9 Prince Albrechtstrasse.

SUBJECT: SS Gruppenfuehrer Conference in Tolz.

On the orders of SS Gruppenfuehrer von Ribbentrop, I take the liberty of reporting that he will be prevented from taking part in the conference of SS Gruppenfuehrers in Tolz owing to official duties, since he has to be in London these days.

Heil Hitler
By Order
[signed] OSWALD
SS Sturmbannfuehrer.

Foreign Office
Prot C.

Berlin, 10 January, 1939.

Dear Gruppenfuehrer,

On the orders of the Reich Minister for Foreign Affairs, I express to you his best thanks for the despatch of the work "Letters of a Fighter" by Dr. Hermann Gmelin, which was sent on the orders of the Reichfuehrer SS by the SS Personnel Office.

Heil Hitler
[signed] WAGNER.

To the: Head of the SS Personnel Office
SS Gruppenfuehrer Schmitt,
Berlin.

Foreign Office
Prot. C.

Berlin, 11 April, 1939.

On orders from the Reich Foreign Minister, SS Gruppenfuehrer von Ribbentrop, I confirm the receipt of the pamphlet "The National Socialist Man's Honor and the Protection of his Honor" by Reichsleiter SS Obergruppenfuehrer Duch. Sent by the Personnel Office on the orders of the Reichsfuehrer SS.

Heil Hitler
[signed] WAGNER
Legation Secretary.

To the: Reichsfuehrer SS
SS Personnel Office
Berlin.

EXTRACT FROM SPEECH BY THE FUEHRER TO THE REICHSTAG ON 19 July, 1940.

I can not finish this honoring without finally thanking the man who has for years past put into effect my directives in the field of foreign politics in faithful, untiring and self-sacrificing work.

The name of Party Member von Ribbentrop will for all time be linked up as Reich Foreign Minister, with the political rise of the German nation.

NEWSPAPER EXTRACT

RIBBENTROP, BORMANN, LAMMERS promoted to SS Obergruppenfuehrers

Berlin 21 July.

As the NSK (National Socialist Party Correspondence) reports, the Fuehrer has promoted SS Gruppenfuehrers Foreign Minister von Ribbentrop, Reichsleiter Martin Bormann and Reichminister Dr. Lammers to SS Obergruppenfuehrers.

The Reichminister for Foreign Affairs
Adjutancy.

[Rubber stamp]: SS Personnel Head Office.
Received 16 Feb. 43.

Wilhelmstrasse 73 Berlin, W.8.

We acknowledge with many thanks the receipt of the book "Kldnes Erdengluck" by Rolf d'Alquen which was sent to the Reichminister for Foreign Affairs on the orders of the Reichsfuehrer.

Heil Hitler
[signed] LIMPERT
Legation Counsellor and Adjutant.

To the Reich Leadership of the SS,
SS Personnel Head Office,
Berlin, S.W.,
Prince Albrechtstrasse. 8.

Adjutancy of the Reich Minister for Foreign Affairs
Legation Counsellor First Class
Limpert.

Wilhelmstrasse 73 Berlin, W.8.
Phone 1164-41
Headquarters in the Field
29.9.44.

Subject: 1 3 b—File No. /37 C 12—V.K./K

We acknowledge with thanks the receipt of the book by Dagmar Brandt called "Gardariki", which was sent on 12 inst., on the orders of the Reichsfuehrer SS to SS Obergruppenfuehrer Joachim von Ribbentrop.

Heil Hitler
[signed] LIMPERT

SS Personnel Head Office,
Berlin Charlottenburg,
Wilmersdorfer Strasse 98/99.

TRANSLATION OF DOCUMENT D–745–A

DEPOSITION OF ANTON KAINDL.

Deposition on oath of Anton Kaindl, male, of No. 5. Civilian Internment Camp, sworn before Capt. A. Vollmar 22 Dragoons, an officer of the Judge Advocate General's Branch, HQ BAOR at No. 5 Civilian Internment Camp on 8th day of March 1946.

1. I was Commandant of Sachsenhausen Concentration Camp from 22 Aug 1942 until the capitulation of Germany in May 1945. I can give the following details regarding German SS personnel in my camp.

a. Camp SS personnel varied in number between 190 and 210. These were all personnel of my staff and were the only persons allowed entry into the camp itself.

b. The number of German guard personnel in Apr 1945 was approximately 3000. They were all SS personnel and wore SS uniform.

c. These SS personnel mentioned in *a* and *b* above were all members of the Waffen SS and not the Allgemeinen SS.

d. The SS guard personnel did not belong to any special SS units but the guard unit (Wachsturmbann) was known as SS Totenkopf Wachsturmbann.

2. In Sachsenhausen there were no civilian personnel employed.

3. I know that all personnel who were employed as guards or on the staff of concentration camps were members of the Waffen SS and NOT the Allgemeinen SS. This applied to all concentration camps. Signed: Anton KAINDL.

Sworn by the said deponent Anton Kaindl voluntarily at No. 5 Civilian Internment Camp on this 8th day of March before me Capt. A. Vollmar an officer of the Judge Advocate General's Branch, HQ BAOR, AND I HEREBY CERTIFY that the said deponent not understanding English this deposition was translated by myself to him before signature and that he fully agreed to the contents thereof. Sgd. A. VOLLMAR, Capt.

JAG Branch,
HQ BAOR.

TRANSLATION OF DOCUMENT D-745-B

Deposition on oath by KAINDL, Anton, born on 14 July 1902 at MUNICH at present at No. 5 Civilian Internment Camp.

1. I was Commandant of the Concentration Camp Sachsenhausen from 22 August 1942 to the end of April/beginning of May 1945.

2. When I took up my duties guard personnel and camp staff consisted of Waffen SS, all told 1980 men.

3. This figure increased to 3000 men guards and 210 men camp staff at the beginning of 1945 and remained so till the end of the war.

4. During my term of duty approximately 1500 men were posted and replaced by others, so that from the time I took up my appointment to the end of the war approximately 4700 men of the Waffen SS have served at one time or another at Sachsenhausen.

5. There was no difference as to the employment of personnel. The guard personnel formed the reservoir wherefrom the camp staff was drawn, but on the other hand personnel were also posted from the camp staff to the guard.

Signed: Anton KAINDL.

Sworn before me this 19th day of March 1946 at No. 5 Civilian Internment Camp.

[sgd.] D. MACMILLAN, Major, R.A.

TRANSLATION OF DOCUMENT D-746-A

Deposition on oath of Fritz SUHREN, male, of No. 5 C.I.C. sworn before Capt. A. Vollmar, 22 Dragoons, an officer of the Judge Advocate General's Branch, HQ BAOR, at No. 5 C.I.C. on the 8th day of March 1946.

1. I was commandant of Ravensbruck Concentration Camp from November 1942 until the capitulation of Germany in May 1945. I can give the following details as regards personnel employed on guard or administrative duties in this camp.

(a) The Commandant's staff comprised 90 males and approximately 150 females who were employed in duties at Ravensbruck itself, another 300 females (approximately) were employed in Aussenkommandos who also belonged to the staff. All these both male and female were members of the SS.

(b) The number of German guard personnel in Ravensbruck itself was approximately 200 and in the Aussenkommandos approximately 350. These were all males and all members of the Waffen SS and NOT the Allgemeinen SS.

(c) All females employed on duties in or outside the camp

were members of the Waffen SS and not the Allgemeinen SS and this applied also to all the males.

(d) SS male guard personnel did not belong to any special SS unit but the guard itself was known as SS Totenkopf Wachsturmbann.

2. In Ravensbruck there were approximately 20 civilian employees comprising such trades as plumbers, electricians, carpenters, etc., and they lived in the barracks outside the camp walls. They were all released personnel from Sachsenhausen Concentration Camp. There were also approximately 20 civilians who worked in the factories belonging to the SS organization and which were next to the camp itself. These factories employed otherwise only internees of Ravensbruck.

Signed: Fritz SUHREN.

Sworn by the said deponent Fritz Suhren voluntarily at No. 5 CIC on this 8th day of March 1946 before me Capt. A. Vollmar, an officer of the Judge Advocate General's Branch HQ BAOR, AND I HEREBY CERTIFY that the said deponent not understanding English this deposition was translated by myself to him before signature and that he fully agreed to the contents thereof.

Sgd. A. VOLLMAR, Capt.
JAG Branch,
HQ BAOR.

TRANSLATION OF DOCUMENT D-746-B

Deposition on oath by SUHREN, Fritz, born on
10.6.08 at VAREN at present at No. 5 Civilian
Internment Camp

1. I was Commandant of the Concentration Camp Ravensbruck from November 1942 to beginning of May 1945.

2. When I took up my duties there were approximately 250 men Waffen SS as guard battalion and 85-90 men Waffen SS as Camp Staff; for the end of April 1945 the corresponding figures were 550 men and 90 men.

3. Approximately half of this personnel has been replaced, in the course of time, by older age-groups, Landesschuetzen, Luftwaffe and Volksdeutsche who were all transferred to the Waffen SS. During my term of duty there have served, at one time or another, 950 men Waffen SS at Ravensbruck and its outposts.

4. With regard to the SS auxiliaries (Waffen SS) who served as warders, it should be noted, that Ravensbruck served as a training camp, and therefore the great majority of them was

posted after a short time. Accordingly during my term of service 3500 (female) SS auxiliaries served at some time or other at Ravensbruck and its outposts.

5. As far as possible the Camp staff was not changed; personnel was replaced, in case of posting to field units, and occasionally posted to the guard battalion.

Signed: Fritz SUHREN.

Sworn before me this 19th day of March 1946 at No. 5 C.I.C.
Signed. D. MACMILLAN, Major, R.A.

TRANSLATION OF DOCUMENT D-748

AFFIDAVIT of
TOTZAUER, Karl

born on 15.6.1909 at UDRITSCH
at present at ALTONA.

1. From June 1940 to Summer 1943 I was employed in the Orderly-Room of the Concentration camp Neuengamme and I became, after having passed a course and having been promoted to Untersturmfuehrer, Adjutant of the Camp. I was responsible for all military matters of the SS.

2. The personnel originally employed in the concentration camp came from the Deathhead's units and the Verfuegungstruppe of the General SS. But already in Summer 1940 replacements and reinforcements came from the Waffen SS, either men transferred from the General SS to the Waffen SS, or men called directly to the Waffen SS. From 1944 onwards single men, also small units of the Armed Forces — Landesschuetzen and Airforce came to Neuengamme, who were clothed by, and transferred to the Waffen SS. It is to be observed that in respect of the outposts [Aussenkommandos] the Guards were, in some cases, provided by the service for which the factories worked, for instance the Navy in Wilhelmshaven, the Airforce at Porta or Helmstedt.

3. In Autumn 1940 there were three guard companies and one HQ section of SS at Neuengamme, approximately 400 men Waffen SS. By November 1942 this figure increased to approximately six hundred men. Great reinforcements began in Spring 1944, which came from all the Training-and-Holding-units of the Waffen SS and, as already mentioned, from the Armed Forces. The number rose quickly to approximately 2000-2500 SS men for Neuengamme and its outposts and this figure remained more or less unchanged till the end of the war.

4. I am unable to state numerically to what extent personnel has been posted and replaced by others. The figure may amount

to 500-600 men. Consequently, I am inclined to believe that, since the time I took up my duties, all told 2500–3000 men of the Waffen SS have been employed in Neuengamme and its outposts.

5. As to the employment of personnel it should be noted, that no difference was made in respect of duties as guard or in the camp. Personnel could first be employed on guard duties and then in the Camp. If somebody served to the satisfaction of the commandant in the camp-HQ staff or camp administration [Schutzhaftlager] it rarely occurred that he was put back on guard duties.

[sgd.] Karl Totzauer.

Sworn before me this 15th day of March 1946 at the Mil. Gov. Prison at Altona sgd A.R. Frisby, Major, RCASC, SO II, Fin/Int, HQ Mil, Gov, Hansestadt Hamburg.

18 Mar 46, HQ, BAOR.

TRANSLATION OF DOCUMENT D–749–B

STATEMENT

Made voluntarily at Minden Gaol by RUDOLF HOESS, former Commandant of AUSCHWITZ Concentration Camp, on the 20th of March 1946.

1. I was Commandant of the Concentration camp Auschwitz from 1 May 1940 to the first of December 1943.

2. When I took up duties there were approximately 50 men Waffen SS as guard platoon and 12–15 men Waffen SS as HQ section.

3. At the time I relinquished my command there were 3000 men Waffen SS serving as guards, 300 men Waffen SS as Camp staff, and another 200 men Waffen SS employed on other administrative duties, all told 3500 men Waffen SS at the Concentration camp Auschwitz.

4. Out of these who served originally at the camp, approximately 2500 men Waffen SS were posted to field units and replaced by others, so that during my term of service all told 6000 men Waffen SS served at one time or another at Auschwitz. After my departure this exchange of personnel continued, and I should say another 1000 men Waffen SS were replaced up to the time of

the evacuation of the Camp in 1945, so that all told approximately 7000 men Waffen SS have served at one time or another at the Concentration Camp Auschwitz.

5. Once a man had been selected from the guard troops for service with the Camp staff, he remained with the staff, unless posted away from the Camp.

Rudolf Hoess.

Witnessed by me, Capt. A. Vollmar, XXII Dragoons, an officer of the Judge Advocate General's Department, HQ, BAOR, at Minden Gaol in Germany on this 20th day of March 1946.

A. Vollmar, Capt.
JAG, Branch
HQ. BAOR.

TRANSLATION OF DOCUMENT D–750

Deposition on oath by HARBAUM, August, born on 25.3.1913, at GUTERSLOH, at present at No. 5 Civilian Internment Camp.

1. I was the Chief of the branch A/V4 of the Wirtschafts and Verwaltungs Hauptamt (WVHA), first as Hauptsturmfuehrer and then as Sturmbannfuehrer. My branch dealt with postings, promotions etc., of the Waffen SS—OR'S, NCO's and WO's—employed in Concentration Camps.

2. I took up my duties in March 1942 and stayed there until the middle of April 1945.

3. In March 1942 there served approximately 15,000 men Waffen SS as guards and camp staffs to the Concentration Camps.

4. In April 1945 approximately 30-35,000 men of the Waffen SS served with the Concentration Camps.

5. Due to postings to the front and other postings I am inclined to believe that approximately 10,000 men of the Waffen SS were replaced and that, accordingly, approximately 45,000 men Waffen SS served at one time or another in the Concentration Camps between March 1942 & April 1945.

Signed: A. HARBAUM.

Sworn before me this 19th day of March 1946 at No 5 Civilian Internment Camp.

Sgd. D. MACMILLAN, Major, R.A.

The Reich Minister and
Head of the Reich Chancellery. Berlin 1st January 1945.
at present House on the Werbellinsee.
(Postal Communications only via
Berlin, Reich Chancellery).

To the Director of the Party Chancellery,
Herr Reichsleiter Bormann.
Fuehrer's Headquarters.
My Dear Bormann,

Owing to the tremendous concentration of the entire forces of the nation for final victory, and the successful offensive which is beginning in the West, the war year of 1944 has closed with a promising prospect for the future and for victory, which gives us all courage and strength to hold out further in the new year, the fighting year of 1945, and which has tremendously strengthened our confident and unshakable belief in final victory. As far as one can see, this year of 1945 will also be the decisive year. The address to the German people which the Fuehrer delivered on the occasion of the New Year was wonderfully inspiring. It will not have missed its effect in the field of home and foreign politics.

At the beginning of this new year, which is of such import for the German people and for every individual, I do not want to fail to wish you, dear Bormann, all the best most sincerely for your responsible work for Fuehrer and people, but also for your personal prosperity and that of your family. I would also like to express the hope that our hitherto happy official collaboration and our personal friendly relations may remain the same as they have now been for years.

The time of our official and personal relations, appears, however, to have somewhat loosened recently, to my very great regret, not through my fault, but for obviously not very important reasons which I do not know more closely and which I can only assume. I would like to speak frankly in this connection, and I wish, in the first place, to talk about the problems of a general nature which are causing me tremendous concern:

1. From the moment when, for perfectly justified reasons, I was ordered on the 21st October of last year to give up my field quarters attached to the Fuehrer's Headquarters, I have been completely disconnected, by the Fuehrer and his headquarters. My last official interview with the Fuehrer took place more than three months ago, on the 24th September of last year. Although I know that, owing to his preoccupation with the immediate direction of the war, the Fuehrer was often unable, for several months on

end, to grant me and us jointly an interview, it was nevertheless my duty to press for this visit. For it actually concerns matters the completion of which the Fuehrer himself demands from me, and for the early completion of which I am responsible to him. I therefore have pressed, and still press by no means for my own sake, but only because of the Fuehrer and the cause.

It is after all, mainly a question of matters important for the conduct of the war, and many other matters to which this attribute does not exactly apply, but which must also one day be dealt with during the war, if the number of little things not attended to is not gradually to cause disorder and damage, and finally create the impression that the functioning of the state machinery has come to a standstill.

I am being continually pressed from all quarters to bring about the numerous Fuehrer's decisions which are urgently awaited. What I can deal with myself I deal with myself. What I can divert elsewhere I divert elsewhere. But the very things which are the most important and the most urgent, if they are settled at all are not settled by me, because this is made impossible for me. But I have to bear the whole or at least part of the responsibility for them just the same.

A further result is that the Reich ministers, the other supreme Reich authorities and other bureaux which come directly under the Fuehrer and which—according to the Fuehrer's instruction—are under my care, when they see that through me they get nowhere, choose other—not always the desirable and right—ways to the Fuehrer or address him direct. For the Fuehrer this is an extra burden or, at least,—looked at from the point of view of time,—a multiple burden!

It brings for me both with the Fuehrer and with the ministers etc., the odium of not having got the things done! Further it puts me, in the unpleasant and often embarrassing position of having decisions by the Fuehrer passed onto me in which I did not collaborate at all, but for which I have to be responsible, and some of which I have to sign jointly and responsibly without ever having been in the position to draw the Fuehrer's attention to some essential aspects which might have brought him to a different decision.

2. It is painful for me to be excluded, just now of all times, from the most important matters which I was appointed by the Fuehrer to cooperate in,—matters which belong to my principal tasks. Not that I have not enough work to do. I always have some of that in the mass of current administrative work with which I need not

trouble the Fuehrer. But I believe that I could do bigger and better things—and would do them willingly—if the possibility were not now completely taken away from me by the fact of my "disconnection".

I am not — and you know it well — one of those people who trouble the Fuehrer when it is not necessary, and, so far, even in those periods in which I saw the Fuehrer comparatively seldom, I was always able to look after myself, and nevertheless mastered the tasks I had to do and this—as the Fuehrer often assured me—to his full satisfaction. But now, when for four months already I have not had the opportunity to speak to the Fuehrer and when I am now so to speak completely "disconnected" i.e. for some time to come have no prospect at all of speaking to the Fuehrer, the moment has come in which my duty compels me to report to the Fuehrer that under such circumstances I cannot fulfill my office and the duties connected therewith. As I believe I can take it for granted that the Fuehrer has not withdrawn from me the confidence which he has so far reposed in me and assured me of, but am rather of the opinion that the Fuehrer is simply not informed of what a multitude of important matters I have waiting to put before him and what harm and difficulties arise if I continue to be kept out as is the case at present. I would request you, my dear Bormann, to arrange a short interview with the Fuehrer for me simply to clarify these questions. I would not bring any reports with me. I just consider it my duty to place these questions before the Fuehrer in detail and I hope that he will understand that I am compelled to do this. If the Fuehrer is—solely for the reasons which are well known to me—not in a position himself to take very soon decisions as Reich Chancellor on matters whose presentation he himself demands of me or which I am in duty bound to place before him, then it is still my duty to explain the position in greater detail and leave him to examine the question whether he will at least depute certain decisions to other authorities, insofar as they do not have to be taken by him, so that the state machinery should not come to a standstill in those matters which must be decided in war time too. I emphasize especially that I am not aspiring to be the authority to whom this duty should be deputed. I would also like to place before the Fuehrer a number of other suggestions which would serve to guarantee the impeccable functioning of the state machinery during the further course of the war, without the direct participation of the Fuehrer. I therefore request you once more to arrange me a date for a report to the Fuehrer as soon as possible, just so as to work out these questions.

3. I certainly fully understand that during the war, when military matters are of course of first importance, the Fuehrer cannot, as Reich Chancellor be available for the Chief of the Reich Chancellory to the same extent as in peace time. But I think that I have always taken this into account by asking for an interview only when it was really necessary, and then only laying before the Fuehrer the most important matters with the greatest conciseness, never a matter that had not been previously considered, that was unripe and therefore not suitable for an interview. It was often difficult to keep this up during the war. But keeping it up was greatly eased by the collaboration, in accord and confidence, with you, dear Bormann, which, even if not often yet always to a sufficient extent, led to joint interviews with the Fuehrer and, in connection with them, to my reporting to him on my own. That such collaboration did take place you have often confirmed to me yourself with the remark that it had a beneficial and successful effect for the Fuehrer and the people. Why has it suddenly ceased? As late as the 21st October of last year at the Fuehrer H.Q. and the 14th and 29th November of last year in Berchtesgaden we had our discussions which up to now have always proved their worth. Then, after your departure to Berlin and already during the Fuehrer's short stay in Berlin and still more after his departure to the west, all contact between us was suddenly cut off. Not through my fault! During your stay in Berlin, which was interrupted at times, you did not make even a single attempt to get in touch with me, though I had expected this and was bound to expect it. My numerous attempts to reach you by telephone did not succeed. I had the impression—confirmed to me by various circumstances—that you did not want to be rung up and got people to say that you were not there. Since you also did not keep to your statements, made via your telephone exchanges, that you would ring me up, I gave up any further attempts to reach you. I could not and did not wish to run after you continually. Only once did we speak to each other by telephone during your Berlin stay and then mainly about the urgency of my and our joint interview with the Fuehrer. Here you gave me the advice to apply for this to the office of the personal adjutant of the Fuehrer, which I did, but, I am sorry to say, without success. This was our last telephone conversation. That I followed your advice and demanded the mediation of the office of the personal adjutant of the Fuehrer you could hardly have taken any offense at. Also I received no telephone call from you from the West. Why suddenly this constant silence on your part? It has been reported to me—I don't know if it is true—that you took

offense at my "Fuehrer information" via the office of the personal adjutant of the Fuehrer. If this is true, I would be grateful to you if you would tell me why you don't like this "Fuehrer information". You declared to me in our last telephone conversation, that it is also impossible for you to bring certain urgent matters to the Fuehrer's attention, you yourself advised me to apply to the office of the personal adjutant of the Fuehrer and you would not speak to me on the telephone. What else should I have done to bring matters of the most urgent nature—only those were concerned—to the Fuehrer's attention, than to have recourse to the so-called "Fuehrer information" as an ultimo ratio and send it through the office of the personal adjutant of the Fuehrer? It is certainly not pleasant for me to send information to the Fuehrer in writing. If it is long one can not expect the Fuehrer to read it. If it is short and clearly sufficient, it is mostly incomplete. Also speech and counter-speech and the possibility of answering the Fuehrer's questions go, and these are of fundamental importance for his decision. I have sent you copies of the "Fuehrer information" at the same time, so that you should be in the picture. So what did you object to in this "Fuehrer information"? I do not assume that you wish to prevent me, as a Reich Minister directly under the Fuehrer, placing things before the Fuehrer direct. Your claim to participation, insofar as it existed, was granted by the copies sent you.

I only wish you had ensured my interests—i. e., my cooperation and participation—in the affairs which come within my competency or in affairs in which I must participate in the same manner recently as used to be the rule before. I am sorry to say that this has frequently not happened. I only want to remind you of the decree for the creation of the Volkssturm (Home Guard), of your difference of opinion with Staats Minister Frank about the construction of emplacements in the Protectorate and of the last Fuehrer decree about the Youth-leaders of the German Reich without going into details here. Trustful cooperation is only possible if it is mutual. I always observed this in my relations to you. I never separately and one-sidedly reported to the Fuehrer or any party matter or any matter in which the party was concerned, or in which it was only interested. I even went so far as always trusting to discuss with you numerous matters which did not require your participation and to deal with them in agreement with you, because I considered this indeed not necessary, but suitable and expedient. I have never yet claimed to intervene with authority in purely party affairs. I believe that you will have to admit this. I am totally unaware and unable to explain what other grounds you could have for being ill disposed towards me or for letting anything come between us, which is already the subject of talk by third persons. I would be very grateful to you if you would be kind enough to inform me frankly of such grounds. A frank word and an honest discussion are, after all, always the best. All arguments of third persons who may have misinformed you or wrongly influenced you would thus fall to the ground. Otherwise, they would be glad that they had succeeded in bringing about our estrangement. For our unanimous cooperation to date has for a long time been a thorn in the flesh of one person or another, because they would have preferred to play us off one against the other.

In conclusion I should like only to repeat what I wrote at the beginning of this letter, namely to express my wish that our official and personal relations should remain in the new year the same as they were in the past. I am not aware of having interfered with them. It is now your turn to speak—be it in writing or orally! I am always at your disposal for a discussion.

Hearty Greetings,
Heil Hitler,
Yours
[sgd] Lammers.

TRANSLATION OF DOCUMENT D-753-B

NSDAP Party Chancellery
Fuehrer's HQ, 5th Jan 1945
Munich 33 BO/Ur.
Fuehrer Building.

The Head of the Party Chancellery.
To the Head of the Reich Chancellery.
Reich Minister Dr. Lammers.
Berlin W.8.
Vossstrasse 6.

My dear Lammers,

I will answer by return of post your letter of the 1.1.45, which I have just received.

1. No one could regret more than I do the fact that you are not near to us at the present moment, for of course I also see the disadvantages described by you.

If you were here we could at any rate often meet and talk things over and all unintentional misunderstandings would perforce not arise.

2. Now as for these misunderstandings: example Protectorate!

Contrary to your supposition, I did not make a report to the Fuehrer, but instead, shortly after your information was received, my Herr Mueller was told by the personal adjutant's office,—in fact by Sturmbannfuehrer (Major) Guensche—that the Fuehrer wanted to see me on this matter.

Then when the Fuehrer saw me he gave me, without any further discussion of the situation, the order to see to the commencing of the construction of emplacements as soon as possible and to remove the differences of opinion with Secretary of State Frank by discussion with him. I thereupon sent my expert Zander, with whom I conduct all tasks of enlisting the people, to Prague on the same day, and in two thorough discussions there, a solution was found which left the autonomy of the Protectorate and Frank's authority untouched on the one hand, but which makes use of the Party's experience and knowledge concerning the construction of emplacements on the other.

Regarding the decrees on the Volkssturm and on the relationship between the Hitler Youth and the party leadership, these are purely party matters, the coming about of which I shall tell you about at the next opportunity.

[Pencil note beside this paragraph: If the Volkssturm is a party matter, then the *war* is too]

3. Your assumption that during my stay in Berlin I wanted to avoid you is untenable! Shortly after his arrival, the Fuehrer went to Professor v Eicken for treatment and was therefore not at home to anybody during this time. I used this opportunity to get some fresh air in Mecklenburg after the unhealthy life in underground shelters. So I was in Berlin only for a very brief period during the whole stay of the Fuehrer's HQ. At that time you were not in the Reich Chancellery but outside.

[Pencil note to above paragraph: "Where I can be reached at any time and from where I can get to Berlin at any time.]

Actually it was very difficult to reach me during the whole time, because even in the worst weather I rode around for hours, went to this or that farm and I went to bed mostly at 22.00 hours, after the sleepless nights at the Fuehrer's HQ.

It was very good that I got a bit of rest there, because the exertions here have not decreased. If I did not ring you up from my present quarters this is due firstly to the telephone restrictions and the everlasting interruptions of the line—today all the better known places in this area were bombed again—from then on the fact that I was kept not very pleasantly busy. The state of communications here in the West calls for the greatest possible employment of the enlisted people. We no longer work on fortifications but on the reconstruction of the railway lines and other means of communication. For your information I enclose the pertinent instructions.

Besides this, we are now to make the airfields bigger for high performance planes with the enlisted people and to take over all sorts of other tasks. To this is added the effect of the air raids, on which I should not like to comment in writing.

As soon as you can come here, I can tell you this better verbally. I shall ask the Fuehrer as soon as possible when you can come.

I myself want to go on Sunday to Munich for a week for conferences etc., but perhaps I shall pass through Berlin on my way back, if we do not meet in the HQ.

Thank you for all your good wishes, which I heartily reciprocate! Also give all my good wishes to your family.

Heil Hitler,
[sgd] M. Bormann.

TRANSLATION OF DOCUMENT D–762

TOP SECRET

The Fuehrer

Fuehrer's Headquarters, 30.7.1944

OKW/Operational Staff of the Armed Forces/Qu. 2/Admin. 1
No. 009169/44

30 copies
24th copy

Re: Combatting of terrorists and saboteurs in the occupied territories. Jurisdiction.

The continually increasing acts of terror and sabotage in the occupied territories, which are being committed increasingly by uniformly led gangs, compel us to take the severest countermeasures, corresponding to the rigour of the war that has been forced on us. Those who attack us from the rear at the decisive stage of our fight for existence deserve no consideration.

I therefore order that:

I. All acts of violence by non-German civilians in the occupied territories against the German Armed Forces, the SS and the police and against installations which serve their purposes, are to be combatted as follows as acts of terrorism and sabotage:

1. The troops and every single member of the Armed Forces, the SS and the police are to overcome on the spot all terrorists and saboteurs whom they catch in the act.

2. Those who are apprehended later, are to be handed over to the nearest local station of the Security Police and SD.

3. Accomplices, especially women, who do not participate directly in the fighting are to be put to work. Children are to be spared.

II. The Chief of the OKW will issue the necessary executive instructions. He is entitled to make alterations and additions, as far as any need of the war operations makes it imperative.

Signed Adolf Hitler
certified copy
(signed) Oberfeldrichter
(Senior Field Judge)

TRANSLATION OF DOCUMENT D–763

Copy

Fuehrer's HQ., 18 August 1944

OKW
Ops. Staff of the Wehrmacht/Qu.2/Admin 1. No. 009169/44 top secret
WR 1/s No. 79/44 top secret

TOP SECRET

30 copies
24th copy

Re: Criminal acts by non-German civilians in the occupied territories against the security or war-preparedness of the occupying power.

On the basis of section II of the Fuehrer's order of the 30th July 1944/OKW/Ops Staff of the Wehrmacht/Qu. 2 (Admin 1, No. 009169/44 top secret) it is resolved:

Non-German civilians in the occupied territories who endanger the security or war-preparedness of the occupying power by any other means than acts of terrorism or sabotage, are to be handed over to the SD. Section I. No. 3 of the Fuehrer's order applies also to them.

The Chief of the OKW
Signed Keitel
certified copy
(signature)

TRANSLATION OF DOCUMENT D–764

Fuehrer's Headquarters 18.8.1944

Supreme Command of the Armed Forces
Fst/Qu 2/Verw 1.No.009169/44 g. Kdos.
WR (1/3) No. 79/44 g. Kdos.
(Operational Staff of the Wehrmacht/Qu. 2/Admin 1. No. 009169/44
WR (1/3) No. 79/44 *top secret*

TOP SECRET

30 copies
24th copy

Subject: 1. Combatting of terrorists and saboteurs in the occupied areas.
2. Jurisdiction over non-German civilians in the occupied territories.

2 enclosures.

1. Enclosed are copies of the Fuehrer's decree of 30.7.1944 and of the 1st Executive Decree of 18.8.1944.

2. The Fuehrer's decree and the Executive Decree do not apply to Finland, Rumania, Hungary, Croatia, Slovakia and Bulgaria, nor to the subjects of these countries.

3. The Fuehrer's decree is to be made known at once orally to all personnel of the Armed Forces, SS and police and must form the subject of regular emphatic instruction. It must only be distributed in writing down to divisions and similarly ranking units.

4. Current legal proceedings for all acts of terrorism and sabotage and all other crimes by non-German civilians in the occupied territories which imperil the security or war-preparedness of the occupying power, are to be suspended. Accusations must be taken back. The execution of sentences is no longer to be ordered. The culprits are to be handed over with a report of the proceedings to the nearest local authority of the Security Police and SD. In the case of death sentences which already have legal force, the present instructions are to remain valid.

5. Crimes which affect German interests but do not imperil the security or war-preparedness of the occupying power, do not justify the retention of the jurisdiction over non-German civilians in the occupied territories. I authorize the commanders of the occupied territories to draw up new regulations in agreement with the Higher SS and police chiefs. The following measures, inter alia, are to be considered:—

a. Handing over to the SD for forced labour.
b. Settlement by police administrative criminal proceedings.

c. Handing over to any existing local German civil courts.

d. Handing over to courts of their own country.

I reserve the decision with regard to Denmark.

The Chief of the Supreme Command of the Armed Forces
Signed Keitel
certified copy
Senior Military Judge

Distribution:

1st	copy	Commander in Chief West.
2nd	"	Military Commander France.
3rd	"	Commander of the Armed Forces in Belgium/Northern France.
4th	"	Commander of the Armed Forces in the Netherlands.
5th	"	Commander in Chief Southwest.
6th	"	Plenipotentiary General of the German Armed Forces in Italy.
7th	"	Commander in Chief Southeast.
8th	"	Military Commander Southeast.
9th	"	Commander of the Armed Forces in Denmark.
10th	"	Commander of the Armed Forces in Norway.
11th	"	Gestapo Office—for the attention of SS Oberfuehrer Panzinger.

For information:

12th	copy	Army High Command/Chief of the Military Judiciary.
13th	"	Army High Command/Legal Dept.
14th	"	OKL/Luftwaffe Legal Dept.
15th	"	OKM/Naval Legal Dept.
16th	"	The SS Judge attached to the Reichsfuehrer SS—for the attention of SS Standartenfuehrer Bunder.
17th	"	Reichsfuehrer SS—Chief SS Court.
18th	"	President of the Reich Military Tribunal.
19th	"	Foreign Office—for the attention of Ambassador Dr. Albrecht.
20th	"	Reichminister of Justice—for the attention of Ministerialrat von Ammon.
21st	"	Party Chancellery—for the attention of Reichsamtsleiterkapp.
22nd	"	Reich Chancellery—for the attention of Oberlandesgerichtsrat Sommer.
23rd	"	Foreign Countries Department.
24th	"	Operational Staff of the Armed Forces/Qu. 2.
25th	—	WR (Draft and spares).
30th	copy	

TRANSLATION OF DOCUMENT D–765

BERLIN, W 35 the 2.9.1944
Tirpitzufer 72-76
Telephone No. local 21-81-91
distant 21-80-91
Secret

OKW
14 n 16.18 WR (1/3) 446/44 secret

It is requested that the above reference the date and brief contents should be given in the reply.

Express Letter

5 Sept. 1944
No. OC 822/44 secret

To:
1. The Foreign Office for Consul General Speiser.
2. The Reich Minister of Justice for Ministerialrat von Ammon.
3. The Reich Security HQ for SS Obersturmbannfuehrer Huppenkoten.
4. The Reich Minister and Head of the Reich Chancellery for Councillor of the Court of Appeal Sommer.
5. The Head of the Party Chancellery for Reichsamtsleiter Kapp.
6. The Reichfuehrer SS Central Office SS Court.
7. *OKW/Ops Staff of the Wehrmacht*/Qu/Admin 1.
8. OKW/Ops Staff of the Wehrmacht/Foreign Countries Dept.
9. Army High Command/Dept. of Justice.
10. Navy High Command/MR.
11. Air Force High Command/LR.

Subject: Criminal acts by non-German civilians in the occupied territories against the security or war-preparedness of the occupying power.

Reference Fuehrer's decree of the 30.7.44 (OKW/Ops. Staff of the Armed Forces/Qu.2/ Admin 1. No. 009169 top secret) and OKW decree of the 18.8.44 *(Ops. Staff of the Wehrmacht Qu.2/ Admin 1. No. 009169 top secret)* WR I/3 No. 79/44 top secret.

According to the decrees referred to above all non-German civilians in the occupied territories who have endangered the security or war-preparedness of the occupying power by acts of terrorism or sabotage or by any other means, are to be handed over to the Security Police and SD.

The question is whether it is necessary to issue a corresponding regulation in respect of non-German civilians who were legally sentenced before the publication of this order and have begun to serve a punishment of imprisonment.

The High Command invites you to a conference on this question on Friday the 8.9.1944 at 10 a.m. in the building of the Reich Military Court, Berlin—Charlottenburg 5, Witzlebenstr. 4/10, Room 106.

By order
(sgd) Dr. Lehmann
Certified copy
signature
Military Judge

TRANSLATION OF DOCUMENT D–766

TOP SECRET

Supreme Command of the Armed Forces
WR I/3 No. 79/44 Top Secret 4th September 1944
Ops Staff of the Wehrmacht/Qu 2/Admin 1,
No. 009169/44 top secret *30 copies*
. . . copy

Subject: Criminal actions by non-German civilians in the occupied territories against the security or war-preparedness of the occupation power.

On the strength of section 2 of the Fuehrer's decree of the 30th July 1944 (OKW/Ops Staff of the Wehrmacht/Qu.2/Admin 1, No. 009169/44 top secret) it is decreed in agreement with the Reichsfuehrer SS and the Chief of the German police, the Reich Minister of Justice and the Reich Minister and Chief of the Reich Chancellery

I

Non-German civilians in the occupied territories who have been legally sentenced by a German court for a criminal act against the security or war-preparedness of the occupation power and who are in custody in the occupied territories or in the home area are to be handed over with the facts to the nearest local office of the Security police and SD. Excepted are only persons who have been legally sentenced to death when the execution of the punishment has been ordered.

II

Sentenced persons, who, according to the directives of the Fuehrer for the prosecution of criminal acts against the Reich or the occupation power in the occupied territories, dated the 7th December 1941, are not allowed to have any contact with the outer world, are to be specially marked.

III

The Chief of the Security police and SD will agree on the time for handing over with the Supreme Command of the Armed Forces, the Reich Minister of Justice or the Reich Minister and head of the Reich Chancellery for their spheres of competence.

The Chief of the Supreme Command of the Armed Forces
Signed Keitel
for the accuracy of the copy
[signature illegible]
Senior Military Judge

Distributor:

Gestapo office for Oberregierungsrat Keisel	1st copy
Reich Minister of Justice for Ministerialrat von Ammon	2nd copy
Reich Minister and Head of the Reich Chancellery for Oberlandesgerichtsrat Sommer	3rd copy
High Command of the Army Chief of the Army judiciary	4th copy
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TOP SECRET

Qu. (Admin 2)

Further to 79/44 top secret

[pencil note] Previous reference—terrorists—182.

O.U., 13 September 1944

1 copy

Subject: criminal acts by non-German civilians in the occupied territories against the security or war-preparedness of the occupying power.

Memorandum

I participated in the discussion on the 9.9 for the purpose of gaining information. After it had been ascertained that the "Nacht und Nebel" (night and fog) decree had become superfluous as a result of the terror and sabotage decree the Wehrmacht Legal Dept. presented the attached draft No. 009169/44 top secret—Wehrmacht Legal Dept. (I/3) No. 79/44 top secret —of September 1944 for discussion. There were no important differences of opinion. More technical questions regarding practical application were discussed immediately afterwards by the people directly concerned.

According to the letter of the Reichsfuehrer SS, it is a question of approximately 24,000 non-German civilians who are detained or under arrest and whose speediest transfer to the SD he demands. The question that came up during the discussion as to why this transfer to the SD had become necessary at the present time, although no inconsiderable administrative work was involved, remained unanswered.

It was agreed that paragraph I of the draft decree refers also to those prisoners who have been turned over to the civil courts.

As OKW does not set any great store by passing sentence on the trifles still remaining for the military courts, it has been left for local agreement to deal with them by decree.

The representative of the Foreign Office pointed out that members of neutral countries also had been "vernebelt" (turned into fog) by mistake or intentionally (i.e. as accomplices) who, according to the basic decree, should not have been "vernebelt". The question as to what is to be done with the foreigners, and what information is to be given to the neutral countries can, as was stated by the representative of the SD, only be answered in each individual case according to the state of affairs existing at the time; the Foreign Office's objections have thus not been entirely removed.

(signed) Westerkamp

[pencil note] returned to Qu.2

25.9 (Admin.2)

TRANSLATION OF DOCUMENT D-769

TOP SECRET

KR WHFH 0426 21.9.1940
to OJW/Ops. Staff of the Wehrmacht

Owing to strike of railwaymen, all communications in Holland are at a standstill. Railway personnel does not obey the appeal to resume work. The call for providing motor vehicles and other means of transport to make the troops mobile and to maintain supplies is no longer answered by the civil population. According to the Fuehrer's decree of the 18.8.44 and the executive instructions of the Chief of the OKW (Ops. Staff of the Armed Forces/Qu. 2) (Admin 1) No. 009169/44 top secret published as a supplement thereto, the troops may use armed force only against persons who commit acts of violence as terrorists or saboteurs, whereas persons who endanger the security or war-preparedness of the occupation power in any other way than by terrorism or acts of sabotage are to be handed over to the SD. This regulation has proved too roundabout and therefore ineffective. In the first place, the necessary police forces are lacking. The troops must again receive authority to shoot with or even without summary trial, such persons also as are not terrorists or saboteurs in the sense of the Fuehrer's decree but who endanger the fighting forces by their passive attitude. It is requested that the Fuehrer's decree be altered accordingly, as the troops cannot otherwise assert themselves effectively against the population, which, in its turn, appears to endanger the conduct of the operations.

Commander of the Armed Forces, Netherlands,
Chief of Staff
No. 4489/44

Top Secret

Signed Fr. Christiansen,
Luftwaffe General.

TRANSLATION OF DOCUMENT D-770

Ops Staff of the Armed Forces/Qu. 2 (Admin. 1)
24.9.1944

TOP SECRET

SSD Teleprint
10 copies
copy

To: 1. Commander of the Armed Forces in Norway.

2. 20th (Mountain) Army HQ.

3. Commander of the Armed Forces in Denmark.

4. C-in-C West.
5. Commander of the Armed Forces in the Netherlands (further to Ops. Staff Adj. No. 4489/44 top secret of the 21. 9.44).
6. C-in-C Southwest.
7. Plenipotentiary General of the German Armed Forces in Italy.
8. C-in-C Southeast.

Ref: OKW/Ops. Staff of the Wehrmacht/Qu. 2 (Admin 1) No. 009169/44 top secret of the 30. 7.44.

Subject: Combatting of criminal acts by non-German civilians in the Occupied Territories.

According to the Fuehrer's order of the 30. 7.44 non-German civilians of the occupied territories who attack us in the rear in the decisive stage of our battle for existence deserve no consideration. This must be the guiding line for the interpretation and application of the Fuehrer's decree itself and of the Chief of the OKW's executive decree of the 18.8.44.

If handing over to the SD is impossible owing to the military situation and the state of communications other effective measures are to be taken ruthlessly and independently. There are naturally no objections to passing and executing death sentences by summary Court procedure under such circumstances.

(signed) Keitel

OKW/Ops. Staff of the Armed Forces/Qu.2/(Admin 1) No. 0011520/44 top secret

Distribution: (after despatch)

1. General Staff of the Army/Chief of the General Staff of the Army	2nd copy
2. OKM/1st Naval Ops. Staff	3rd copy
3. OKL/OPs. Staff of the Luftwaffe	4th copy
4. Reich Fuehrer SS and chief of the German Police—Command Staff	5th copy

TRANSLATION OF DOCUMENT D-774

Fuehrer's Hq., 14.6.1944.

TOP SECRET

The Chief of the Supreme Command of the Armed Forces.
Op. Staff of the OKW/Qu. (Admin. 1)/No. 771793/44.
Top Secret, Gen Officers only 2nd Subject. 3 Copies.
2nd Copy.

Subject: Treatment of enemy terror fliers.
To: Foreign Office
for Ambassador Ritter,
Salzburg. Initialled W. [Warlimont] 14/6.

In connection with Press reports at home and abroad about the treatment of terror fliers, who fall into the hands of the population, it is necessary to formulate unambiguously the concept of the facts which are to constitute a criminal act in this sense. [Pencil note by Warlimont: this does not quite hit the nail on the head.] Simultaneously, the method to be used in publishing cases which have led either to lynch justice by the population, or —where the terror fliers have been caught by the Armed Forces or the police—to special treatment by the SD, must be laid down. [Pencil note by Warlimont: but only publications.]

In agreement with the Supreme Commander of the Air Force, I intend the *letter enclosed in draft,* which is to serve as a directive to the Commandant of the Air Force Collecting Camp of Oberursel. It refers to those cases which, on the basis of the investigation carried out in this camp, prove to be suited to the isolation of the perpetrator, owing to suspicions being confirmed, and to his being handed over to the SD, before any case is published by the press, radio etc., steps must be taken to ensure that name, unit, place where the crime was committed and other details give an irreproachable picture, the publication of which will have the intended deterrent effect on the commission of further murderous acts. In this connection, the formulation of the announcement must take into account the fact that enemy protests along all lines must be reckoned with. In agreement with the head of the Security Police and SD and with the Supreme Commander of the Air Force, it is therefore intended to reach an agreement in future between the Supreme Command of the Air Force, the Operational Staff of the Armed Forces, the Foreign Office and the SD before every publication, in order to lay down the facts, time and form of publication.

Please confirm, if possible by the 18th of this month, that you are in agreement with the above formulation and with the procedure intended for announcements.

Draft

TOP SECRET

OKW
No. 771793/44 Top Secret Command matter 2nd subject
Wehrmacht Ops. Staff/Qu (Admin 1)

Fuehrer's HQ., 14.6.44
2 copies
2nd copy

Command matter!
by officer only!

Subject: Treatment of enemy terror fliers
To the C-in-C of the Air Force for the attention of Colonel von Brauchitsch of the General Staff.

I. On the basis of the preliminary talks which have taken place and in agreement with the Reich Foreign Secretary and the head of the Security Police and SD, the following facts are to be considered terroristic actions which are to be taken into consideration when publishing a case of lynch law or which justify the handing over of enemy prisoner of war airmen from the Air Force reception camp of Oberursel to the SD for special treatment:

1. Strafing the civil population, both individuals and crowds;
2. Shooting at our own (German) shot down aircraft crews when coming down by parachute;
3. Strafing of public passenger trains;
4. Strafing of hospitals and hospital trains, clearly marked with the Red Cross.

Please obtain the consent of the Reich Marshal to this formulation of the facts, and, if necessary, give the Commandant of the Air Force reception camp of Oberursel *verbal* instructions to act accordingly.

It is further requested that you obtain the Reich Marshal's consent also to the procedure intended for the handling of public announcements, as it can be seen from the letter to the Reich Foreign Secretary of which a copy is enclosed.

Please confirm in writing, if possible by the 18th instant.

The Chief of the OKW.

1 enclosure

Draft

The Chief of the Supreme Command of the Armed Forces
Ops Staff of the Wehrmacht/Qu. (Admin 1) No. 771793/44 top secret 2nd subject

Fuehrer's HQ, 15.6.1944

TOP SECRET

3 copies
second copy

Command Matter!
By Officer only!

Subject: Treatment of enemy terror fliers.
To: the Foreign Office for the attention of Ambassador Ritter
Salzburg

For the publication of those cases which have led to lynching by the population or—in the case of arrest by the Wehrmacht or the police—to special treatment by the SD, it is necessary to lay down unambiguously the facts which are to apply to constituting a criminal act in this sense.

In agreement with the Commander-in-chief of the Luftwaffe I intend to lay down the following formulation. It is to serve, if need be, as a directive to the Commandant of the Air Force reception camp of Oberusel for those cases which, as a result of the examination in this camp, are proved suitable for the isolation of the culprit because of the confirmation of suspicions and for handing over to the SD.

1. Strafing the civilian population both single persons and crowds;

2. Shooting at our own (German) shot down airmen when hanging from parachutes;

3. Strafing of public passenger trains;

4. Strafing of hospitals and hospital trains which are clearly marked with the Red Cross.

Before every publication of a case through the press, radio etc., it must be ensured that name, unit, place of the deed and further details form an unobjectionable picture, the publication of which will achieve the intended effect of discouraging further acts of murder. When formulating the public announcements, the circumstance that protests by the enemy in every direction must be reckoned with is to be taken into consideration. In agreement with the chief of the Security Police and SD and with the C-in-C of the Luftwaffe, it is therefore intended that, until further notice, an agreement must be reached before every publication, between the High Command of the Luftwaffe, the Operational staff of the Armed Forces, the Foreign Office and the SD, to lay down the facts, time and form of the publication.

I beg you to confirm—as far as possible by the 18th of this month—that you agree to the above-mentioned formulation as well as to the procedure intended for public announcements.

[initialled] K [Keitel]
16/6

TRANSLATION OF DOCUMENT D-777

OKW
No. 771793/44 Top Secret Command Matter, 2nd subject
Ops Staff of the Wehrmacht/Qu. Fuehrer's HQ, 15.6.44
(Admin 1)

TOP SECRET

2 copies
2nd copy

Command Matter!
by officer only!

Subject: Treatment of enemy terror fliers
[initialled] K. J. [Keitel; Jodl]

To: the C in C of the Luftwaffe for the attention of Colonel von Brauchitsch of the General Staff.

I. On the basis of the preliminary talks which have taken place and in agreement with the Reich Foreign Secretary and the head of the Security Police and SD, the following facts are to be considered terroristic actions which are to be taken into consideration when publishing a case of lynch law or which justify the handing over of enemy prisoner of war airmen from the Air Force reception camp of Oberursel to the SD for special treament:

1. Strafing of the civil population both individuals and crowds;
2. Shooting at our own (German) shot down aircraft crews when coming down by parachute;
3. Strafing of public passenger trains;
4. Strafing of hospitals and hospital trains, clearly marked with the Red Cross.

Please obtain the consent of the Reich Marshal to this formulation of the facts, and, if necessary, give the Commandant of the Air Force reception camp of Oberursel *verbal* instructions to act accordingly.

It is further requested that you obtain the Reich Marshal's consent also to procedure intended for the handling of public announcements, as it can be seen from the letter to the Reich Foreign Secretary of which a copy is enclosed.

Please confirm in writing, if possible by the 18th inst.

The Chief of the OKW
[initialled] K [Keitel] 16/6

1 enclosure

TRANSLATION OF DOCUMENT D-778

Ops. Staff of the Wehrmacht/Qu. (Admin 1) 18. 6.1944
Subject: Treatment of Anglo-American terror fliers

1. *Memorandum* re telephone call Ambassador Ritter. 17.45 hrs.

Ambassador Ritter states that the Foreign Office's attitude cannot be submitted before tomorrow evening, as he had not even received information about the matter until yesterday afternoon, and inquiries in Berlin are still necessary.

2. Chief Qu. [in pencil] D/18/6
3. On the subject (command matter)

[pencil note: illegible initial—18/6]

TRANSLATION OF DOCUMENT D-779

Berlin W 8.
Leipziger Str. 8.
H.Q., 19.6.1944

The Reich Marshal of the Greater
German Reich.
The Adjutant's Office.
Adj. No. 7685/44. Top Secret.

2 copies.
1st Copy.

Subject: Treatment of enemy terror fliers.

Ref: Your letter No. 771793/44 Top Secret. Chief matter, second subject Op. Staff of the Armed Forces/Qu (Admin. 1.) of the 15.6.1944.

To: the Chief of the Supreme Command of the Armed Forces, *Field Marshal Keitel*

The Reich Marshal has made the following note with regard to the above letter:

"The population's reaction is in any case not in our hands. But if possible the population must be *prevented* from acting against *other enemy fliers,* to whom the above state of affairs does not apply. In my opinion a state of affairs as above can also at any time be tried by a court, as it is here a question of *murders,* which the enemy has forbidden his fliers to commit."

per pro
(sgd) Gerke
Lt. Col. in the General Staff.
J. K. W. S.
[Initialled by Jodl, Keitel, Warliamont, Saln]

TRANSLATION OF DOCUMENT D-780

Copy
Secret Reich Matter.

Ambassador Ritter No. 444
Salzburg, the 20th June 1944.

[in pencil] Draft

1. To the Chief of the Supreme Command of the Armed Forces.
Reply to the letter of the 15th June 1944
No. Ops. Staff of the Armed Forces/Qu. (Admin.) No. 771793/44/top secret command matter.
2nd subject: Concerning the treatment of enemy terror airmen.

In spite of the evident objections from the point of view of foreign policy and of International Law, the (German) Foreign Office agrees on the whole with the intended action.

When examining particular cases, it is necessary to differentiate between lynch-justice and the cases of special treatment by the Security Service (SD).

I. In cases of lynch-justice, the strict establishing of the criminal facts and circumstances specified in pars. 1-4 of the letter of the 15th June is not very important. Firstly, no German authority is directly responsible; death had already occurred before a German authority handled the case, Then, as a rule, the accompanying circumstances will be such that it will not be difficult to present the case appropriately on publication. In cases of lynch law, it will therefore be primarily important to treat individual cases correctly on publication.

[pencil note:] "This was the only purpose of our letter." [Initialled] W. [Warlimont].

II. The procedure suggested for the *special treatment* by the SD, with subsequent publication would only be admissible if Germany were openly to renounce—at the same time and using this as an occasion—the obligations of the international agreements which are at present in force and are still recognized by Germany. If an enemy airman is captured by the armed forces or the Police and handed over to the Air Force reception camp at Oberursel, by this very fact he assumes the legal status of a *prisoner of war.* [Pencil note:] "This will however be prevented by the intended separation." [Initialled] W. [Warlimont].

For the criminal prosecution and sentencing of prisoners of war and for the execution of death sentences on prisoners of war, there are certain rules laid down in the prisoners of war agreement dated 27 July 1929, as for example in Article 66: The carrying out of a death sentence not until after the expiration of three months from the protecting power being notified of the death sentence; in article 63: sentencing of a prisoner of war only by the same courts and according to the same procedure as that applied to members of the German Armed forces. These orders are so precise that an attempt *to veil* a breach *of them by means of a clever way of publishing an individual case* would be hopeless. On the other hand, the Foreign Office cannot recommend a formal denunciation of the prisoner of war agreement on these grounds.

[Pencil note:] "No—by means of separation and special treatment following immediately." [initialled] W. [Warlimont].

A way out if necessary would be not to allow suspected enemy airmen to assume the legal status of a prisoner of war at all to begin with, i.e. it should be explained to them immediately upon capture that they would not be *considered* as prisoner of war, but as criminals, that they would not be sent to the places set aside for prisoners of war, i.e. not to a prisoner of war camp, but would be handed over to the authorities competent to deal with the prosecution of criminal offences and that they would

[Pencil note:] "yes, that is possible too." [initialled] W. [Warlimont].

then be sentenced ad hoc by a special summary court procedure. If, at the trial under this procedure, it becomes evident from the accompanying circumstances that this special procedure cannot be applied to an individual case, the airmen concerned could be *subsequently* re-instated in individual cases, in the legal status of prisoners of war by a transfer to the Air Force reception camp of Oberursel.

[Pencil note:] "Yes."

Naturally this way out would also not prevent Germany being reproached for breaches of the agreements at present in force, and would also perhaps not prevent reprisals being taken against German prisoners of war.

But at any rate this way out would make it possible to adopt a clear line and would save us having either openly to break away from the agreements at present in force or—when publishing each individual case—to use excuses which no-one believes.

Of the facts enumerated under pars 1-4 of the letter of the 15th June, those under pars 1 and 4 are legally free from objections. The Foreign Office would, however, be prepared to disregard this. It is perhaps advisable to combine the facts in pars. 1, 3 and 4 into the dictum that any strafing of the civil population from the air will be treated as a crime. The individual facts in pars. 1, 3 and 4 would then only have the significance of particularly striking examples. The Foreign Office also sees no reason why such attacks should not be atoned for if they are carried out against the civil population in ordinary residential dwellings, motor cars, river boats, etc.
[marginal note:] "yes." W. [Warlimont]

The Foreign Office starts from the assumption that, in attacks on England, there is a general ban on German airmen strafing the civil population. As far as the Foreign Office's information goes, such a ban was issued some time ago by the C-in-C of the Air Force. The fact that such a ban exists might be pointed out on the occasion of a general announcement.

III. From the above, the general conclusion follows that the centre of gravity of the action should be placed on the cases of lynch law. If the action is carried out on such a scale that the aim—which is to dissuade enemy airmen—is really achieved, which is what the Foreign Office advocates, then the strafing attacks on the civilian population must be exposed by means of propaganda in quite a different way from heretofore; if not before the public in Germany, then at least on propaganda abroad.

The competent local German authorities, presumably the police authorities, would have to be instructed to send a short, truthful report about every such attack—including details of place, time, number of dead and wounded—to the collecting centre in Berlin immediately. This collecting centre would then have to pass on these reports to the Foreign Office immediately for further use.

As such strafing attacks on the civilian population have also taken place in France, Belgium, Croatia and Rumania, the competent German authorities or governments in these countries should be instructed to collect such attacks against the civilian population in a similar manner and to make use of them for propaganda purposes abroad in co-operation with the German authorities.

IV. It was mentioned in the letter of the 15th June that it was intended to come to an agreement with the Foreign Office—inter alia—prior to any publication. The Foreign Office lays particular value on this, and indeed also on this agreement taking place not only until further notice, but during the entire duration of the operation.

By Order.

3/89

TRANSLATION OF DOCUMENT D-781

Translation of Document V/250

Supreme Command of the Armed Forces

No. 771793/44 top secret Command Matter 3rd subject. Ops. Staff of the Wehrmacht/Qu. (Admin 1)

Fuehrer's Headquarters, 23.6.1944.

Top Secret

Only through Officer! *2 copies*

2nd copy

Subject: Treatment of enemy terror fliers.

Re: OKW/Ops. Staff of the Wehrmacht/Qu. (Admin 1) No. 771793/44 top secret Command Matter, 2nd subject of 15.6.44 and your letter Adj. No. 1605/44 top secret 19.6.44.

To: the Supreme Commander of the Luftwaffe, for the attention of Colonel von Brauchitsch of the General Staff.

It is unfortunately not possible to gather from your letter whether the Reich Marshal has agreed to the facts communicated to him which are to be regarded as terroristic actions in the *publication* of a case of lynch law, and he is prepared to give the commandant of the Air Force reception camp of Oberursel verbal instructions to this effect.

It is again requested that the Reich Marshal be induced to give his consent and that this be notified, if possible, by the 27th instant.

The Chief of the Supreme Command of the Armed Forces

By order

[initialled] 24/6

TRANSLATION OF DOCUMENT D-782

Foreign Office Salzburg 25 June 1944

No. 466

Secret State Matter

1 enclosure

Further to the telephone conversation of today's date, I am enclosing for your *provisional* information the *draft* of a reply to the letter of the Chief of the OKW, dated 15th June 1944—Ops. Staff of the Wehrmacht/Qu. (Admin) No. 771793/44 Top Secret Command matter 2nd subject—as submitted to the Foreign Minister.

As the Foreign Minister has gone away for a few days, he has not yet been able to approve the draft. I must therefore reserve the right to make any changes that may be necessary.

By Order,
(signed) Ritter

To the Supreme Command of the Wehrmacht
for the attention of Colonel Poleck
Strub-Barracks.

TRANSLATION OF DOCUMENT D–783

Ops. Staff of the Wehrmacht/Qu. (Admin 1) 26.6.1944
Re: Treatment of terror fliers

Telephone memorandum

Telephone call Adjutant's Office of the Reich Marshal (Capt. Breuer):

The Reich Marshal agrees with the formulation of the concept of terror fliers as stated and with the proposed procedure. *He asks for information this very day, about measures taken.*

Signed [illegible]

3/92

TRANSLATION OF DOCUMENT D–784

Operational Staff of the Armed Forces/Qu. (Admin 1).
No. 006988/44 Top Secret. 30.6.1944.
Subject: Treatment of enemy terror fliers.
[Pencil note] "We must act at last.
What else is necessary for this?"
[Initialled] W. [Warlimont]

3 Copies.
1st Copy.
Initialled K [Keitel].

TOP SECRET
Notes for a Report.

1. The *draft* of an answering letter from the Reich Foreign Minister to the Chief of the OKW, which was transmitted to the Operational Staff of the Armed Forces via Ambassador Ritter, is presented as an enclosure hereto.

Ambassador Ritter telephoned on the 29.6 that the Reich Foreign Minister has agreed to this draft, but has given ambassador Sonnleitner the task of reporting the Foreign Office's opinion to the Fuehrer *before* the letter is sent off to the Chief of the OKW. Only when the Fuehrer has agreed to the principles laid down by the Foreign Office will the letter to the Chief of the OKW be sent off.

2. The Reich Marshal is in agreement with the formulation of the concept "terror flier" as proposed by the OKW and with the method suggested.

(sgd) Warlimont

Distribution:

Chief OKW, via deputy chief of the Operational Staff of the Armed Forces	1st Copy.
War Diary	2nd Copy.
Qu. (Admin. 1)	3rd Copy.

TRANSLATION OF DOCUMENT D-785

Supreme Command of the Armed Forces
No. 007195/44 Top Secret/ Ops. Staff
of the Wehrmacht/Qu. (Admin 1)

Fuehrer's HQ., 4.7.44
Top Secret
2 copies
2nd copy

Reference: 1. OKW/Ops. Staff of the Wehrmacht/Qu. (Admin 1) No. 771793/44 Top Secret Command Matter second subject of 15.6.44.
2. The Reich Marshal of the Greater German Reich—Adjutant's Office No. 1605/44 Top Secret of 19.6.44.

[Pencil note:] terror airmen!

To: The C in C of the Luftwaffe for the attention of Colonel von Brauchitsch of the General Staff.

Please report whether instructions have been given to the commandant of the Air Force reception camp of Oberursel in the sense of the statements of the Supreme Command of the Armed Forces/Operational Staff of the Armed Forces of the 15th June, or when it is intended to do so.

By Order,
[signature illegible]

[Pencil note:] no answer to be had from the C-in-C Luftwaffe!

TRANSLATION OF DOCUMENT D-786

Operational Staff of the Armed Forces/Qu (Admin. 1.)

TOP SECRET

5.7.1944.

Notice about the terror fliers affair.

On the 4.7., in the midday situation report, the Fuehrer decreed the following:

According to press reports, the Anglo-Americans intend in future to attack from the air small places, too, which are of no importance to war economy or militarily, as a retaliatory measure against the "V1's". Should this news prove true, the Fuehrer wishes it to be made known through the radio and the press that any enemy airman who takes part in such an attack and is shot down will not be entitled to be treated as a prisoner of war, but, as soon as he falls into German hands will be killed and treated as a murderer. This measure is to apply to all attacks on small places which are not military targets, communications centres, armament targets etc., and which are not of importance to the war.

At the moment nothing is to be ordered; the only thing to be done is to discuss such a measure with the WR and the Foreign Office.

TRANSLATION OF DOCUMENT EC-3

Liaison Staff of Supreme Headquarters
Armament Procurement Office (WiRueAmt)
with the Reich Marshall.
Nr. 260/41 g.

C. P. 25 November 1941

Ref: Order of the Chief, WiRueAmt, Supreme Headquarters, dated 29 July 1941.

Re: War Economy Notes concluded 30 November 1941

To the Chief of the WiRueAmt
General Thomas
Berlin

The conceptions occasionally mentioned during the reporting period are comprised in the notes of the conference on 8 November 1941. Compare Reich Marshall of greater Germany report for the V. J. P. Nr. 19 203/9 g.v. of the 20th November 1941. The Reich Marshall has not been in the supreme headquarters East since that time so that no lectures have been given.

In order to preserve presentation with respect to the existing reports, the general principles of economic policy in the newly-occupied Eastern territories "based on the East conference" in Berlin of the 8th of November 1941 are stated in the following:

"I. *For the duration of the war the requirements of the war economy* will be the all-dominant factor of any economic measures in the newly-occupied Eastern territories.

II. Seen from a long range point of view the *newly-occupied Eastern areas* will be exploited economically *from the point of view of colonial administration and by colonial methods.*

Exceptions will be made only for those parts of the East land which are to be Germanized by order of the Fuehrer, but even they are subject to the principle expressed in paragraph I.

III. The main emphasis of all economic work rests with the production of food and *raw materials.*

The highest possible production surplus for the supply of the Reich and of other European countries is to be attained by cheap production based on the maintenance of the low living standard of the native population. Besides covering thereby the European needs for food supplies and raw materials as far as possible, this measure is intended to create a source of income for the Reich which will make it possible to liquidate in a few decades, with utmost consideration for the German taxpayer, an essential part of the debts incurred in the financing of the war.

IV. *Manufacturing* in the occupied Eastern territories will be considered only if absolutely necessary:

a. to decrease the volume of transportation, (i.e. manufacturing processes up to steel or aluminum blocks),

b. to take care of urgent repair needs inside the country,

c. to take advantage of all facilities in the armament sector during war-time.

It remains to be decided to what extent a resumption of the production of trucks and tractors can be considered during the war (in view of the overburdened European industrial capacity).

V. The development of a considerable *consumer goods and finished products industry* in the occupied Eastern territories is not permitted. It is rather the task of European and especially German industry to process the raw materials and semi-finished products produced in the occupied Eastern areas and to take care of the most urgent requirements for industrial consumer goods, and production means of these Eastern areas which are to be exploited like a colony. The larger the number of products of daily needs we send to Russia, the greater will be the quantity of raw materials we can extract, the greater will the difference in values become, and the earlier will our war debts be liquidated.

VI. *To supply the population* with high-valued consumer goods is out of the question. On the contrary, all tendencies to raise the general standard of living are to be suppressed right from the start with the most drastic measures. The question as to which kinds and quantities of consumer goods and production means are to be delivered to the newly-occupied Eastern areas is to be settled in conjunction with the Economic Office of the Reich commissars.

The Eastland [Ostland], too, may, at the beginning, be furnished only very limited quantities of consumer goods. The long range order for the Germanization of the Eastland must not be allowed to lead to a general rise of the living standards of all the nationalities living there. Only the Germans living there, or to be settled there, and the elements to be Germanized may receive preferential treatment.

VII. The Russian *price and wage scales* are to be kept as low as possible. Any interference with the price and wage policy which is to be established exclusively to benefit the interest of the Reich is to be punished mercilessly. The Eastland, too is subject to the principle that surpluses, specifically the agricultural ones, have to reach the Reich at the lowest possible prices."

(signed) Nagl

Liaison of the OKW/WiRueAmt
with the Reich Marshall

C. P., 18 September 1941
31/41

TOP SECRET

Re: *Economic Notes for the Reporting Period of 15 August to 16 September 1941.*

In that period discussions pertaining to war and general economy took place only on the 15th and 16th of September. Nothing of *basically* new importance came out of the discussions so that no notes could be taken about it.

* * * * * * *

The following persons participated in the *conference of 16 September* which had been preceded by a short meeting on the 15th of September:

The Reich Marshall.
Secretary of State Backe (4-Year Plan).
General of the Luftwaffe Gosrau (Administrative Office, Ob d L).

Lt. General von Seidel (Quartermaster General Ob d L).
Lt. General Osterkamp (Army Administrative Office).
Lt. General Wendersleben (Army Administrative Office).
Colonel Baentsch (Quartermaster General, OKH).
Ministerialdirektor Riecke (Economic Staff East, 4-Year Plan and Reich Minister, East).
Major General Nagl (Liaison Office, OKW/WiRueAmt).
Ministerialrat Dr. Goernnert (Reich Marshall).
Captain on the General Staff of the Luftwaffe von Brauchitsch (Reich Marshall).

At this conference which was concerned with the *better exploitation* of the occupied territories for the German food economy, the Reich Marshall called attention to the following:

It seems that the Wehrmacht demands too much, especially preserved food from home. With the exception of tobacco goods, chocolate, dried vegetables, etc., all food supplies for the troops, used or utilized in the Eastern territories, have to be *furnished by the occupied territories themselves.* If that cannot be accomplished, perhaps on account of insufficient organization or out of sympathy for the native population, or because of transport difficulties or indolence, or because the use of preserved foods is simpler, then those reasons must be done away with. On no account do I permit an increased supply from the Reich, which —especially with regard to meat supply—would lead to a decrease of rations for the German civilian population. *On no account do I give my permission for that.*

The morale at home would suffer from that or become shaky. The home front has to take enough already (bombings, mounting losses, slow successes in the East, and in addition, the fact that this war is a second one within a generation). This would furnish an excellent weapon for enemy propaganda. It already employs these days the method of instructing the populations of the occupied countries to cry for food time and time again, to hide stores, to keep from delivering food supplies, etc., so that every place—and not the least at home—food difficulties and bad feelings associated with the sinking of morale, arise.

It is clear that a graduated scale of food allocations is needed.

First in line are the *combat* troops, then the remainder of troops in *enemy territory,* and then those *troops stationed at home.* The rates are adjusted accordingly. The supply of the *German* non-military population follows and only then comes the *population of the occupied territories.*

In the occupied territories on principle only those people are to be supplied with an adequate amount of food who work for us. Even if one *wanted* to feed all the other inhabitants, one *could not* do it in the newly-occupied Eastern areas. It is, therefore, wrong to funnel off food supplies for this purpose, if it is done at the expense of the army and necessitates increased supplies from home.

(signed) Nagel (Reich Marshal)

PARTIAL TRANSLATION OF DOCUMENT EC-14

Chief of the Military Economy Staff in the Wehrmacht Office
Berlin W 35
Tirpitzufer 72-76
Telephones Local)
Long Distance) Switchboard No. 218191

SPEECH BY MAJOR GENERAL THOMAS BEFORE THE WEHRMACHT WAR COLLEGE DELIVERED ON 1 NOVEMBER 1937

Introduction to Military Economy, with Consideration of the Present Economic Situation of the Reich

When, two years ago, the Wehrmacht War College was founded, a great number of lecture hours in the curriculum were to my satisfaction assigned to Military Economy. It has become a tradition that the Chief of the Military Economy Staff, at the beginning of these lectures, which are for the greater part given by professional experts, delivers an introductory speech, in which is taken up also the subject of the military economic situation as it presents itself to us in Germany today. I therefore would like to divide my speech, this year also, into two parts. In the first part, I will attempt to explain to you briefly the theory of military economy, while, in the second part, I will take up the practical tasks of military economy and, in particular, the situation in Germany.

What we understand by military economy I need not explain to you today any more in detail, for in various newspapers and magazines the meaning of military economy, as we want to have it interpreted, has been thoroughly discussed. I should like to point out only that by military economy we understand no system of economy, also no doctrine of economy, but that by military economy we want to have understood the conversion of the entire economic thinking and acting in accordance with the idea of national defense.

Major Beutler, who, until recently, worked in my office, has written on Military Economy in the German Volkswirt [political Economist] Periodical No. 42. In this article, he has thoroughly discussed the concept of military economy. He has expressed the fact that there exist three viewpoints on the concept of military economy. The first interpretation understands by military economy the preparation and carrying out of the defense of the nation in the domain of peace-time economy. The second opinion sees in military economy simply a new form of controlling the economy and demands that political economy and military economy become the same.

The third view, which I follow, is of the opinion that military economy is a task and a task with regard to war at that; it is the task, in war, of placing all economic forces at the service of the conduct of the war. The economy, therefore, is the intellectual principle of the influence of national defense on economy. Just as strategy puts the military forces into operation, so military economy directs the economic forces. Therefore, political economy and military economy can never be considered the same. These few words may suffice to explain the concept of military economy.

The connections, which exist between the military forces of a country and its economy have really, up to now, been sought only in the material sphere and I must state that they are just as strong in the realm of the ideal especially the principles of military economy, which have been established by us have attached great importance to the clarification of ideal connections.

Those gentlemen who, before 1933, worked in the mobilization, will know how difficult it was, at that time, to find understanding for the defense of the country even in the Reich and State Ministries. It was still more difficult in economy, for economy, as such, found all measures for the defense of the country to be a burden from the economic viewpoint and the idea of military forces was, in most cases, just as remote to the employer as it was to the employee. The economy, as a whole, was just adapted to purely economic conditions and not to military ones and the task then was to reshape the inner attitude of the leaders of the economy and their personnel, because we believed that a military economy could be operated only by military persons. And here we may state, that it was two ponderables which helped us in the mental conversion, namely the World War and the national revolution. In evaluating the experiences of the World War and demonstrating them to the economy, we increased our understanding of our work and we proved that the economic preparation for mobilization is for the benefit of the economy itself and the prerequisite for a modern national defense. The national revolution brought about the intellectual conversion of the entire people which was the prerequisite for a military economic arrangement of the economy. The economy today realizes that it can be successful in the long run only if it is protected by a sharp sword. And, on the other hand, the military authorities today know that an army has no striking power unless it is backed up by a powerful economy.

For the conversion of the economy to military economy organization measures were necessary. The reorganization of the entire economy, especially the establishing of the Reich Groups Industry, Trade and Handicraft have made the economy ready for national defense and armed it with striking power. Furthermore, the establishment of the Reich Food Estate must be interpreted along these lines. The appointment of labor trustees and the creation of the Management and Labor Communities [Betriebsgemeinschaften] must be viewed as a considerable strengthening of the national defense, because social peace forms the basis for our reconstruction. Let us remember how harmful strikes and other social struggles have been for our supply efforts during wartime and how different the course of the last months of the war could have been if social peace had been maintained at home. The Labor Front with its organization "Strength Through Joy" might also have favorable effects in that respect, provided, that the "Strength Through Joy" movement is directed along the line of: Joy through vigorous work and joy from work through health of body and soul. Thus, there is a great number of organizational measures which have been carried out in the Third Reich and which are accomplishing outstanding results for the binding of the economy and the military power in an ideal relationship and which give us the foundation for a real military-economic preparation for war.

* * * * * * *

If you consider that one will need during the war considerable means in order to organize the necessary propaganda, in order to pay for the espionage service, and for similar purposes, then one should be clear that our internal Mark would be of no use therefor, and that foreign exchange will be needed.

Copy

I Wi Gr/9/40
II Min. of Economics

Berlin, 8 January 1940.

To the Chiefs of Consultation and Supervisors of the Division I Wi.

The staff of the deputy in charge of economics (I Wi) at the General Quartermaster of the Supreme Commander of the Army (Oberbefehlshaber des Heeres) is composed as follows:

Chief: Staatssekretaer Dr. Posse

Chief I Wi GR:	General questions on economy (General Chief of consultations)	Mr Dr. Burandt.
Chief I Wi 1:	Industrial economy	Mr Dr. Barth.
Chief I Wi 2:	Armament economy	Capt. of the Chief of Staff Bergen.
Chief I Wi 3:	Food and agriculture	Reich Landw. R. Heinhardt. Landw. R. Dr. Schroeckin.
Chief I Wi 4:	Forest and lumber economy	Olfmstr. Hausmann.
Chief I Wi 5:	Foreign goods and currency exchange	Mr. Dr. Frh. von Mass.
Chief I Wi 6:	Economic transport	Mr. Sussdorf.
Chief I Wi 7:	Social and employment question	Orr Eckelmann.
Chief I Wi 8:	Money and credit system	Dir. of the Reichsbank Beyer.
Chief I Wi 9:	Finance question	Orr (retired) von Oertzen.

In order to guarantee the exchange of information on the division consultations, the division chiefs are asked to furnish twelve copies of the rough drafts of the orders and publications as well as their details—knowledge of which is of importance to all staff members—and direct them to the Staatssekretaer, to the division chiefs as well as to the rest of the supervisors after registration.

(signed) Dr. Posse

PARTIAL TRANSLATION OF DOCUMENT EC-27

Lecture of General Thomas before the Staff Instructors' Course [Dozenten-Lehr-gang des Lehrstabes] on 28 Feb. 1939 in Saarow-Pieskow

"The national socialist state, soon after taking over the power, has *reorganized* the German economy in all sections and directed it towards a *military viewpoint,* which had been requested by the Army for years. Due to the reorganization, agriculture, commerce and professions become those *powerful instruments* the Fuehrer needs for his extensive plans, and we can say today that Hitler's mobile politics as well as the powerful efforts of the Army and economy, would not have been possible without the necessary reorganization by the National Socialist government. We can now say that the *economic organization* as a whole, corresponds with the needs, although slight adjustments will have to be made yet. Those reorganizations made a *new system of economics possible* which was necessary in view of our internal and foreign political situation as well as our financial problems. The directed economy, as we have it today concerning agriculture, commerce, and industry is not only the expression of the *present State principles,* but at the same time also the *economy* of the *country's defense.* * * *"

PARTIAL TRANSLATION OF DOCUMENT EC-28

Lecture of Major General Thomas, Given on 24 May, 1939 at the Foreign Office.

The field of military economy has expanded into such a large field during the few years in which we have known this concept that in view of the short time at my disposal I can only give you today a few cross sections. I have chosen fields which touch on our common work and which will be of particular interest for your work here in the Foreign Office. We shall deal with the following three topics:

I. With the state of our own rearmament as compared with that of the Western powers.

II. With the question: can the advantage of the German rearmament over that of the Western powers be maintained also in the future?

III. With the connections between the rearmament and the present economic situation in Germany.

I hope that the treatment of these three points will give you a certain insight into the three main tasks which occupy the economic division with the High Command of the Wehrmacht most particularly for the time being and which would be of a certain importance for the judgment of our foreign political situation.

I.

I begin with the state of German rearmament. You have already been given a survey of the present organization of the Wehrmacht by the parts of the Wehrmacht so that I can be brief and only will have to cover the development of the rearmament.

You know that the dictate of Versailles had limited the number of the German divisions to seven, that an air force was prohibited and that the Treaty completely forbid the navy to build ships of over 10,000 tons or submarines. The production of arms, ammunition and military equipment was limited to a few authorized plants. All other establishments had been systematically destroyed. Until the end of 1933, in spite of secret camouflaged attempts, no essential change occurred in the situation, so that we can state that the present rearmament represents the work of four years.

The 100,000 men Army of 7 infantry divisions and 3 cavalry divisions compare today with a peacetime army of 18 corps headquarters (General kommandos), 39 infantry divisions, among them 4 fully motorized and 3 mountain divisions, 5 panzer divisions, 4 light divisions and 22 machine-gun battalions. In addition to this there is on the border a large number of permament border protection units. Since all large-scale procurement of new arms for the 100,000 men army was out of the question, but the development of new types was busily carried on in secret our present army could be equipped in all fields with the most modern weapons and it surely leads the world in its whole infantry armament and in the large number of its types of guns. Completely new and developed only in the last 5 years are the 5 Panzer divisions, the modern battle cavalry and the light divisions, the light cavalry.

Conditions in the field of material are the same. Newly created was the entire equipment of the armored divisions and the light divisions. This accomplishment can be fully appreciated only by a person who knows what it means to produce—after these troops had been prohibited for 15 years—in a tank fit for combat which will satisfy the modern requirements of speed, cross country mobility and armor.

In addition an enormous number of special motor vehicles, sometimes of the most difficult construction, was developed and procured and the artillery partly motorized and provided with the most modern sound and light measuring equipment. The great increase of the technical troops makes special demands on the armament industry.

To this manifold rearmament is added the construction of border fortifications which were first begun in the East and which were started in the West as soon as the situation permitted. You all have seen the concentration of the development in the West during the last year. In this connection I want to mention that the construction of modern fortresses makes the highest demands on the armaments industry which are building turrets.

The pre-war peace time army was increased from 43 divisions to 50 divisions in the period from 1898 to 1914—i.e. in 16 years. Our rearmament from 7 infantry divisions to 51 divisions represents—as I have already stated—the work of 4 years.

The navy, in 1933 had, in addition to a few obsolete pre-war line ships, one armored ship of 10,000 tons, 6 light cruisers and 12 torpedo boats. Since 1933 we have put into service, 2 battle ships of 26,000 tons each, 2 armored ships of 10,000 tons each, 17 destroyers and 47 submarines, a total tonnage of 125,000. Also launched were: 2 battle ships of 35,000 tons, 4 heavy cruisers of 10,000 tons, 1 aircraft carrier, 5 destroyers and 7 submarines totalling 106,000 tons. The launching of additional ships is impending.

The Luftwaffe has risen again and today has a strength of 260,000 men. Today already, the Luftwaffe possesses 21 squadrons consisting of 240 echelons. Its increase is in process. The antiaircraft arm, with its four types, is certainly the most modern in the world and already embraces almost 300 antiaircraft batteries. Antiaircraft guns of still larger calibers are being introduced.

The German armament industry has been developed to the same extent. Out of the few factories permitted by the Versailles Treaty has arisen the mightiest armament industry now existing the world. It has attained performances which in part equal the German wartime performances, and in part even surpass them. Germany's crude steel production is today the largest in the world after America's, the aluminum production exceeds that of America and of the other countries of the world very considerably. The output of our rifle, machine-gun and artillery factories is at present larger than that of any other state. Our powder and explosive production in the next year is again to reach the volume of the Hindenburg program.

And, in spite of this extraordinary accomplishment of reconstruction—to which the Four Year Plan in particular has greatly contributed—there are still considerable deficiencies in the field of armament industry. I shall deal with these especially further on, since they are of decisive importance for the later appraisal of our capacity for endurance.

Added to this material armament preparation is the development of a personnel organization in the form of a military economic organization. The World War had made us sufficiently aware of the lack of an economic mobilization organization. Consequently soldiers already a few years after the War began to set up an organization which was to handle economic preparations for war. From this embryo has grown the present great military defense economy organization which has its center in the economic division with the High Command of the Wehrmacht and the branch agencies of which exist in the defense industry-inspectorates under the jurisdiction of each corps headquarters [Generalkommando].

It is natural that this organization has chiefly devoted itself to handling of the armament industry proper and in particular has carried through the mobilizational preparation of these plants. The preparation of the mobilization of the rest of industry, which was to be effected by the Economics Ministry, did not at first enjoy the support required for a modern war, because the Economics Ministry did not possess the machinery to prepare mobilization in an orderly fashion. In recent months joint efforts of the High Command of the Wehrmacht and the (machinery) Commissioner General for War Economy have made it possible to find a solution whereby the mobilizational preparation of all industry is insured. The Reich Economics Ministry, like the Wehrmacht, has set up, in the defense industry sections with the provincial presidents [Oberpraesidenten] and the chambers of commerce, organs which on their part too are now in a position to make economic preparations on a large scale. All the economic preparations for war are now being made in accordance with uniform directives, which are worked out jointly by the economic division of the army and the Commissioner General of the Wehrmacht. The economic division of the army and the Commissioner General for War Industry carry these out through their branch organizations and there is no longer, as formerly, a division of industry into two parts—armament and war plants and plants vital to existence—but a division of tasks, so that the faults of the former organization—the dualism of industry—is avoided.

In conclusion we can state that the total German rearmament in the field of personnel as well as of material represents an accomplishment of the German people probably unique in the world and a testimony to a resolute leadership and to the energy and creativeness innate in the German people. The great financial and labor efforts of the German industry and of the German people have no doubt yielded the desired result and we can perceive today that German armament in its breadth and its state of preparedness has a considerable start over the armament of all other countries.

PARTIAL TRANSLATION OF DOCUMENT EC-34

SECRET

The Military Commander O. U.
in Belgium and Northern France 1 December 1940
Chief of the Military Administration copy
Report No. 11 on Activities of the Military Administration for the month of November 1940.

* * * * * * *

6. *Interlacing of the economy.*—Toward the German efforts to acquire interests in Belgium enterprises the *Belgians continue to show reserve.* A certain readiness exists on the part of the Belgians to give up investments in stocks *in such countries which, at the present time, are being ruled militarily or economically by Germany.* Among the important business deals of this kind which have been concluded should be mentioned the taking over by the Kreditanstalt, Wien (Credit Institute, Vienna) of an essential interest in the Allgemeiner Jugoslawischer Bankverein (General Jugoslav Bank Association) from the Societe Generale (capital approximately 1 million RM) and the taking over by the Deutsche Bank of the overwhelming majority [translator's note: of shares] of the Banca Commerciala Romana from the Societe Generale (capital approximately 2 million RM) the Deutsche Bank also succeeded in acquiring shares of the Kreditanstalt, Wien, of approximately 800,000 RM nominally from the Societe Generale and from one of its subsidiaries. Negotiations between the Deutsche Bank and the Societe Generale on the transfer of approximately 25% of the capital of the Banque Generale Du Luxembourg are about to be concluded. Through this deal the Deutsche Bank together with the other German groups obtains the absolute majority of the Luxembourger Bank (approximately 70% of the shares). The Deutsche Bank gets

the right to acquire another 25% of the shares which for the time being, remained with the Societe Generale.

In some cases, it was possible to get *voluntary co-operation from French groups,* which have interests in Belgian enterprises. This co-operation makes measures according to the Enemy Property Decree superfluous. By agreement between the German and French stockholders of the "S.A. Internationale de Telegraphie Sans Fil" (each of the two groups possess about 30% of the capital), especially a German Vorstandsmitglied (member of the board of directors) could be elected additionally, whereby the English ownership of also 30% was practically eliminated.

Because of the offer of the Berwaltungsrat (administrative council) of the Companie Maritime Belge and of the Agence Maritime Internationale, to admit two German members into these administrative councils one as an Administrateur Delege with unlimited right to veto—an initial essential success in exercising influence on the Societe Generale has been accomplished. To what extent this step can be evaluated as an individual case or as the beginning of a fundamental turn in the attitude of the above mentioned company cannot yet be judged.

(signed) Reeder

TRANSLATION OF DOCUMENT EC-41

NOTICE CONCERNING THE SEIZURE OF THE SECURITY PROPERTIES OF DUTCH AND BELGIAN HOLDINGS

[Fisher, 23 May 1940]

It is of practical importance to make certain of the security property which is to be found in Holland and Belgium, in order, especially in the case of holding corporations, to win influence, beyond the scope of this possession, if the occasion arises, over the controlled companies (as for example the petroleum companies in Roumania).

A. The execution of this guarantee by means of a decree on the part of the military commanders in Holland and in Belgium, which should include:

1. The prohibition of:
    a. a transfer.
    b. a destruction.
    c. a laying aside (hiding).
    d. a sale or a borrowing.

of the securities existing in Holland and Belgium.

2. The order that the possessors of securities and their trustees register their security possession.

3. A prohibition of deposit for all deposits of stocks and bonds made in banks or in institutions similar to banks.

4. The abrogation:

   a. of statutes regarding securities,
   b. of decisions regarding change of residence.

5. Threat of punishment for violation of Numbers 1, 2 and 3. The permissibility of such an order follows from Article 43 of the Hague Regulation concerning land war of 18.10.07.

B. Execution of the gaining of influence, likewise by means of decrees on the part of the military commanders. Thereby is to be sought:

1. Efficacy according to international law, since the controlled companies situated in neutral territory would otherwise not recognize the efficacy of the measures.

2. The elimination of counter measures which are to be expected from those entitled to the security possession, insofar as they have fled abroad.

3. The appropriation of the securities of the controlled companies situated in neutral territory and the exerting of influence upon the executive power of the mouthpieces of those parent companies situated in Holland or Belgium and upon other possessors of securities.

To No. 1. According to Article 46 of the Hague Regulation concerning land war private possession may not be confiscated. Therefore the confiscation of securities is to be avoided, insofar as these are not in the possession of the state.

According to Article 42 ff. of the Hague Regulation concerning land war the force to be exercised in the occupied enemy territory must basically confine itself to those provisions which are designed to restore public order and public activity or to maintain it. It will therefore be basically forbidden by international law to eliminate those mouthpieces of the (Dutch Holding) corporations, which have remained in their original residence and to replace them with commissioners. Such a measure would probably not be regarded as legal (in the neutral country, as for example Roumania, in which the subsidiary company which is controlled by a Dutch or Belgian undertaking is located). For this reason one should seek to induce the mouthpieces of the Dutch and Belgian companies to work in accordance with the interests of German economy, but not to depose these persons.

To No. 2. Whether and to what extent Holland and Belgium have or will take measures to hinder the extending of German influence to those undertakings in neutral foreign lands which stand under Dutch or Belgian influence is not known. (Compare, e.g., the Hague Regulation v-26.4.40 No. 200.) In any case laws of the Dutch or Belgian governments, which were made after the occupation of Holland or Belgium, should not be recognized by Germany and also not in neutral foreign lands. Should the Dutch and Belgian governments have proclaimed, before the complete occupation of their territory, laws, in which, for example, the change of residence of Dutch or Belgian companies to foreign countries is provided for, without further ado, by an executive act of the board of directors with the approval of the government, these laws would have created a legal basis, which according to Article 43 of the Hague Regulation concerning land war should be recognized by the German government first of all as legal. To what an extent counter-measures might be possible and capable of execution depends on the nature and contents of the laws which may have been proclaimed.

To No. 3. In any case it is an established fact, that German exertion of influence on companies located in neutral territory (e.g. Roumania), in as far as it is a question of stock companies, can take place only:

a. on the basis of an appropriation of the stock documents of the subsidiary companies located in neutral territory or

b. through the exertion of influence on the executive force of the parent companies having their home in Holland or Belgium. In regard to this winning of influence compulsory methods of procedure should be avoided, for with obvious compulsion the opposite of the goal sought might easily be attained. The subsidiary company located in neutral territory could, namely, with reference to the obscurity of the legal basis (the possible legal inefficacy of the decisions reached in Holland and Belgium and of the instructions which come from these countries) practice obstruction and in this way work directly against the interests of German war economy.

Therefore it is of practical importance to gain influence over the mouthpieces of the parent-companies by means of cautious steering of these mouthpieces—not however by means of violent exertion of pressure.

The measures proposed under A are, for the avoidance of changes in the structure of the companies and for the avoidance of the illicit sales of securities, extremely urgent.

The suggestions made under B are to be construed as measures, which can be taken only in connection with the further development of the situation. Wherever decrees of military commanders are mentioned in the foregoing paragraphs it must be taken into consideration, that in case of a transfer of the lawgiving power to the Reichskommissar the latter would be qualified to issue orders.

TRANSLATION OF DOCUMENT EC-43

Copy

Berlin, 20.8.1940

III B 3 b (43)

Note

About the discussion of 16.8.1940 10 a.m. at the Ministry of Economy.

Subject: Acquisition of shares of important foreign enterprises in South-East Europe.

Present: R.Wi.M., R.F.M., A.A., R.J.M., SS, Reichsbank, deputy of the Fuehrer, from OKW Wi Rue Amt (Office) Captain Dr. Roth.

Course of discussion: Mr. Dr. Schlotterer from RWJ reports the following ideas:

1. A private economical penetration of the South-East area by German influence is desirable, likewise the supplanting of French and English investments in that territory.

2. The economic consequence of such a policy will be that England and France cannot disturb any more the German policy in the Balkans and Germany, on the other hand, obtains influence which makes it possible to develop the economy of the countries of the Balkans and so serve the German economy. The advantage for the German economy lies—not to mention the individual enterprise—also decisively in the improvement of the balance of foreign exchange.

3. In one important case we did interfere already, namely at the Mines de Bor. Here, through the military government of France, a German trustee was appointed, namely the former President of the Chamber of Commerce of Paris Mr. Kunz. This

gentleman for his part has appointed Consul General Neuhauser as commissary leader.

4. The question is now how we should proceed in similar cases, in general:

a. Should shares now be acquired and influence be won over for this or is it advisable to wait until the time of the conclusion of the peace in which case there is nothing to pay?

b. The second question is: should the stocks be bought for private economy or for the Reich?

c. The third question is the question of security matters to prevent emigration of values, especially to America.

5. After longer discussions the present departments agree on the following basis:

To a: Attempts should be made immediately to acquire shares. In doing so the tendency should be observed to present the bill for the shares in the peace treaty.

To b: All agree that it should be attempted if possible, to transfer the shares into private hands. But in order to make the right selection it appears necessary to introduce an intermediate stage, that means that first of all enterprises should be taken over through banks, thereupon the plants should be managed as a matter of trusteeship for the Reich with the aim that the Reich (Reich Marshal Goering) in accordance with superior opinions (selection of dependable individuals) undertake handing them over to private industry. Under all circumstances, a further extension of control by trust is to be avoided. Likewise the Balkan states themselves are to be prevented from acquiring the enterprises in question by nationalization.

To c: As a matter of security it is recommended a law be passed by the Balkan states according to which the transfer of shares depends on approval of the government. Experiments in that direction have failed so far in Jugoslavia and Roumania. It is hoped, however, that that security can be obtained. A further security exists in the fact, that the military commanding officer in Northern France appoints trustees who in their turn, just as in the case of the Mines de Bor, appoint a commissary administrator. Which key positions under all circumstances are to be occupied by German individuals will be decided upon by the Reich Ministry of Economy.

49-7 III B 5 C (in pencil)

Copy

Minister for Finance and Economy of Baden

Karlsruhe, 6 March 1941

State Food Office Dept. A.

(State Peasants Association) [Landesbauernschaft]

Confidential

To all District Peasants Association [Kreisbauernschaften]

Only for Official Business

Subject: Directives on the treatment of foreign farmworkers of Polish Nationality

The agencies of the Reich Food Administration [Reichsnaehrstand]—State Peasant Association of Baden have received the result of the negotiations with the Higher SS and police officer in Stuttgart on 14 February 1941, with great satisfaction. Appropriate memoranda have already been turned over to the District Peasants Associations. Below, I promulgate the individual regulations, as they have been laid down during the conference and how they are now to be applied accordingly:

1. Fundamentally, farmworkers of Polish nationality no longer have the right to complain, and thus no complaints may be accepted any more by any official agency.

2. The farmworkers of Polish nationality may not leave the localities in which they are employed, and have a curfew from 1 Oct. to 31 March from 2000 hours to 0600 hours, and from 1 April to 30 Sep. from 2100 hours to 0500 hours.

3. The use of bicycles is strictly prohibited. Exceptions are possible, for riding to the place of work in the field, if a relative of the employer or the employer himself is present.

4. The visit of churches, regardless of faith, is strictly prohibited, even when there is no service in progress. Individual spiritual care by clergymen outside of the church is permitted.

5. Visits to theaters, motion pictures or other cultural entertainment are strictly prohibited for farmworkers of Polish nationality.

6. The visit of restaurants is strictly prohibited to farmworkers of Polish nationality except for one restaurant in the village, which will be selected by the Rural Councillor's Office [Landratsamt], and then only one day per week. The day, which is determined as the day to visit the restaurant, will also be determined by the Landratsamt. This regulation does not change the curfew regulation, mentioned above under no. 2.

7. Sexual intercourse with women and girls is strictly prohibited, and wherever it is established, it must be reported.

8. Gatherings of farmworkers of Polish nationality after work is prohibited, whether it is on other farms, in the stables, or in the living quarters of the Poles.

9. The use of railroads, buses, or other public conveyances by farmworkers of Polish nationality is prohibited.

10. Permits to leave the village may only be granted in very exceptional cases, by the local police authority (mayor's office). However, in no case may it be granted if he wants to visit a public agency on his own, whether it is a labor office or the District Peasants Association or whether he wants to change his place of employment.

11. Arbitrary change of employment is strictly prohibited. The farmworkers of Polish nationality have to work daily so long as the interests of the enterprise demands it, and as it is demanded by the employer. There are no time limits to the working time.

12. Every employer has the right to give corporal punishment toward farmworkers of Polish nationality, if instructions and good words fail. The employer may not be held accountable in any such case by an official agency.

13. Farmworkers of Polish nationality should if possible be removed from the community of the home, and they can be quartered in stables etc. No remorse whatever should restrict such action.

14. Report to the authorities is compulsory in all cases, when crimes have been committed by farmworkers of Polish nationality, which are to sabotage the enterprise or slow down work, for instance unwillingness to work, impertinent behaviour; it is compulsory even in minor cases. An employer, who loses his Pole who must serve a longer prison sentence because of such a compulsory report, will receive another Pole from the competent labor office on request with preference.

15. In all other cases, only the state police is still competent. For the employer himself, severe punishment is contemplated, if it is established that the necessary distance from farmworkers of Polish nationality has not been kept. The same applies to women and girls. Extra rations are strictly prohibited. Noncompliance of the Reich tariffs for farmworkers of Polish nationality will be punished by the competent labor office by the taking away of the worker.

In any case of doubt, the State Peasants Association—I B will give information.

Forwarding in writing of the above agreement to the farm-workers of Polish nationality is strictly prohibited.

These regulations do not apply to Poles who are still prisoners of war and are thus subordinated to the armed forces. In this case, the regulations published by the armed forces apply.

Heil Hitler!
By Order
/s/ Dr. Klotz

TRANSLATION OF DOCUMENT EC-69

SECRET

Command matter attention of office chief

Supreme Command of the Army
General Staff of the Army
Gen. Qu. (I V/V)
Nr. 960 139 g.Command.
Re: Treatment of economical questions at the OKH

1. The treatment of economical questions regarding territories eventually to be occupied in the course of the war will be taken over by Secretary of State Dr. Posse. He belongs to the staff of the Quartermaster General.

The office of the Secretary of State Dr. Posse will receive the code OKH/Gen.Qu.(I Wi).

2. As assistants, Secretary Dr. Posse will have for the time being one official for each of the following departments:

General questions (at the same time personal official).
Industrial economy.
Food and agriculture.
Finance questions.
Bank—money—and credit structure.
Labor deployment.
Armament economy.

3. Secretary Dr. Posse has power to sign in all matters of his business area, excepting only those that must be decided according to kind and importance by the Quartermaster General, the Chief of the General Staff, or the Supreme Commander of the Army.

Secretary Dr. Posse can transfer the power to sign to the officials within their business area. Signatures have to be: "By order".

(signed) Halder

[Extracts from a study by Lt. Col. Dr. Helder on "re-conversion of the economy" (Umsteuerung der Wirtschaft) dated end of December 1940 and prepared for the OKW]

[Page 77]

In case production facilities are to be transported from the country to be occupied, into Germany, it is the task of the various agencies entrusted with this assignment to ship as many machines as possible and among them the best ones, to Germany within the shortest possible period of time. A pre-requisite for these matters is, of course, that the machines must be suitable for German purposes as far as their measures and models are concerned, otherwise the transportation would be nothing but an unnecessary burden on the already overburdened transportation system and would lead to an unproductive detriment of the country to be occupied.

It must be a matter of course to provide for careful preparation of the machines for transport. A wasteful and inexpert dismantling as is said to have occurred in France several times, would be generally detrimental. In this connection a determination must be made before the occupation whether the machines should be dismantled, notwithstanding Article 53 of the Hague Convention regarding warfare on land of October 18th, 1907, which provides as follows:

> "An army of occupation can only take possession of cash funds, and realizable securities which are strictly the property of the State, depots of arms, means of transport, stores and supplies, and, generally, all movable property belonging to the State which may be used for the operations of war."

According to this provision the dismantling of built-in machines etc. which become part of the real estate is not permissible. Of course, the provisions of the Convention find their limitation in a people's battle for its very existence. It is, however, necessary to clearly face this problem.

[Page 57]

In view of the shortage of machines, particularly high class tool machines, the various German agencies were instructed to put such machines into workable condition as expeditiously as possible and in great numbers without regard to the owner of the machines and then cause their transportation to Germany. In this regard machines taken from government controlled or owned enterprises are considered as war booty while compensation will have to be paid for those which are privately owned. In this connection no attention was paid to the internationally recognized principle of law—as also clarified in Section 946 of the German Civil Code—that all movable objects which are affixed to real estate must be considered fixtures of the latter.

* * * * * * *

TRANSLATION OF DOCUMENT EC–86

Foreign Labor Staff
[Arbeitsstab Ausland]
(Nr. 02051/44g. Kdos. II, Ang., Wannsee, 10 Oct 44.)
Extract from the work of the Research Office for Military Economy

3 drafts
2nd draft

The financial achievements of the occupied areas up to 31 March 44 (Ffw. 182/44g. Rs.)

KK. *The individual areas.*

1. *The Protectorate.*—The exchange of goods between Germany and the Protectorate is no longer regarded as foreign trade. For this reason, the extent of the real surplus produced by the Protectorate, cannot be evaluated. We can only determine the amount of the tribute [Matrikularbeitrag] paid to the Reich by the Protectorate.

Calendar year	Mil. Cr.	RM—purchasing power rate of exchange 100 Cr. ....RM	Mil. RM—purchasing power
1940	3,000	8.73	262
1941	5,000	8.23	412
1942	8,000	8.07	646
1943	10,000	7.95	795
3 Mos. 1944	2,500	7.95	199
Total	28,500		2,314

Of course the Protectorate has furnished much more than this sum of 2.3 bil. RM during the years it has belonged to the Reich. We need only think of the weapons of all kinds that were taken over by the Wehrmacht, the manpower represented by the armament workers assigned to the Reich, the continual goods deliveries, etc. Of these items, it is known only that the value of the arms captured in 1939 amounted to 648 Mil. Crowns, or 77 Mil. RM in purchasing power as of that date. For the reason referred to above, the proportions of the other items cannot be assessed.

The total figure of ca. 2400 mil. RM arrived at here is therefore necessarily too low.

2. *The Government General.*—The Government General, also, pays a fixed sum, the so-called "defense contribution" [Wehrbeitrag], and has been doing so since the fiscal year 1940/41.

Fiscal year	Mil Zl.	Mil. RM
1941/42	500	250
1942/43	700	350
1943/44	1300	650
Total	2500	1250

In regard to the exchange of these sums in Zloty, in this case at the official rate of 0.50 RM for 1 Zl., it should be noted that the official prices (retail prices) have scarcely changed since the beginning of 1941. Price increases have occurred only in the cases of certain goods (textiles). The rates of purchasing power resulting from individual prices have approximated, as a rule, the official rate of exchange. In the case of food stuffs, our chief import item from the GG, the purchasing power of the Zl. is rather higher than 50 RPf., whereas for other goods it is considerably less. Black market prices, on the other hand have steadily risen and are many times higher than the official prices. But there is no uniform inflationary [Ueberteurungsfactor] factor such as has been established in the west. The prices range from two to sixty times the normal prices and completely disguise former relationships between goods. For this reason and because the sum of amounts expended upon the black market is unknown, the exchange can be calculated only in terms of the official, and not the black-market, rates. But since army supplies, in particular, were apt to be considerably more expensive than in the Reich, we have reckoned, beginning with 1942/43, a tenth of the total demand at a rate one half lower (1 Zl./ equals 0.25 RM), arriving at the following result:

	Official Market		Market for special		Total
Fiscal year	Mil Zl.	Mil RM	Army purchases.		Mil. RM.
1941/42	500	250	------	------	250
1942/43	630	315	70	17.5	332.5
1943/44	1170	585	130	32.5	617.5
					1,200.0

In 1940/41 the GG was not held to the payment of a set sum, but it had to permit the transfer of about 580 Mil Zl. notes of the former Poski Bank from the Reich and other countries to the account of and for the credit of the Reich.

The established clearing debt of the Reich to the GG increased by 28 Mill. RM between the end of Aug 1940 and the end of March 1943. But this low sum is only what remained of the actual clearing debt after a substantial investment of GG—credits in Reich Treasury bonds. As of 31 March of this year, 3,396 mil RM were so invested. The actual clearing debt approximates, then, 3,424 mil. RM.

Not all that the GG furnished was through clearing agreements. For instance, the wages sent out by the Polish laborers employed in the Reich and the POW's were carried by ordinary post and did not go through clearing. Up to the end of March 19 [two digits missing], a total of 100.6 mil. RM was sent, 70.8 of it by civilian workers.

The determined performance of the GG is as follows:

Mil RM	
1,200	Defense contribution
290	Return of Zl. notes
3,424	Clearing debt and Reich Treasury investment
71	Sent by laborers
30	Sent by POW's
5,015	Total

3. *France*—With France we come to the group of countries that pay occupation costs in the real sense. From the time France was first occupied until the end of March 1944, she placed the following sums at the disposal of the Wehrmacht, to the account of occupation costs:

Calendar year	Mil RM	Mil Francs
1940	1,759	35,180
1941	5,087	101,740
1942	7,872	157,440
1943	9,798	195,960
1st. Quarter of 1944*	2,275	45,500
Total	26,791	535,820

* figured per fixed daily contributions.

If one converts the above sums in terms of purchasing power, one arrives at considerably higher values for the first three years. The purchasing power and the rate of exchange did not become equalized until the year 1943. But not all goods financed by occupation costs are bought at the official prices; some are paid for at black market prices. One can assume that the black market played a very small role in 1940, since there were still ample stores of supplies available. Only beginning with 1941 is the black market taken into account here, when the inflation [Ueberteurung] factor is placed at 4. In 1942 this figure became 6 (according to Veltjens), and it is estimated at 8 for 1944.

100 frs. equals........................RM

	Official	on the black market
1940	9.9	—
1941	7.7	1.9
1942	6.4	1.1
1943	5.0	0.6
1944 (Beginning of)	5.0	0.6

Exact documentation concerning the extent of black market purchases is available only for the "Veltjens Action", which in France required 1,555 Mil. RM, or 31.1 Bil. francs at the official rate of exchange. The greater part of the purchases were made in 1942, amounting to about 1,155 Mil. RM. It is estimated that only about 400 Mil. RM were expended in France in 1943. If one converts the 31.1 Bil. francs at the then rate of exchange on the black market, one arrives at the low sum of 318 Mil. RM.

It can be assumed that a part of Wehrmacht expenditures still goes into the black market—a particularly large proportion in the case of personnel expenses, which, during the last years in France, constituted between 18 and 25% of total expenditures. Certainly it is not too high an estimate if it is assumed that one half of personnel expenditures, and so perhaps 10% of all expenditures, went to the black market. It is calculated that 5% was expended in the black market in 1941, since the latter was still of slight importance at that time. Certain Wehrmacht expenditures for material (such as supplies for Wehrmacht installations [Wehrmachtinvestitionen]) may have been made at higher than the official prices, if not at the really high black market prices. In this connection it is assumed here that 10% of material expenditures were made at twice the official prices.

Until a short time ago, the French black market was fed from still another source—the importation of Reich credit notes [Reichskreditkassenscheinen] from the other occupied regions. Although the issuance of Reich credit notes in France had practically ceased in Oct. 40, some of Reich credit notes were currently presented with the accounting of occupation costs (1942: 460 Mil. RM; 1943: 1,180 Mil. RM; 1st. quarter 1944: 25 Mil. RM.) Even though a portion of this was issued in France to begin with, it can be assumed that the greatest proportion—we place it at 75% for 1942 and 1943—comes from the other occupied regions; in 1942: 345 Mil. RM, in 1943: 885 Mil. RM. While it is not likely that the entire sums went into the black market, it is thought that 75% of them did.

We obtain, therefore, for:

1942	—	260 Mil. RM
1943	—	660 Mil. RM
1944	—	19 Mil. RM

Altogether, the following amounts were expended in the black market (in Bil. of Francs):

	1941	1942	1943	1944
Veltjens action	——	23.1	8.0	——
Soldiers' purchases	5.1	15.7	19.6	4.5
Importing of Reich credit notes	——	5.2	13.2	0.4
Total	5.1	44.0	40.8	4.9
in addition, Wehrmacht purchases at higher than official prices	——	12.6	15.7	3.6
Total	5.1	56.6	56.5	8.5

Wehrmacht expenditures in France were as follows:

	Official market		Market for special Wehrmacht purchases		Black market total		
Year	Bil.Fr.	Mil.RM.	Bil.Fr.	Mil.RM.	Bil.Fr.	Mil.RM.	Mil.RM.
1940	35.2	3,480	——	——	——	——	3,480
1941	96.6	7,440	——	——	5.1	100	7,540
1942	100.8	6,450	12.6	400	44.0	480	7,330
1943	139.5	6,980	15.7	395	40.8	240	7,615
1944	37.0	1,850	3.6	90	4.9	30	1,970
Total		26,200		885		850	27,935

The real sum of occupation costs amounted to about 28 Bil. RM. The "loss" through the black market, that can be figured by converting the sums spent in the black market to their relative value in purchasing power in the official market and then subtracting from these the real value of the black market purchases, is estimated to approximate 6.4 Bil. RM. In other words, for value of ca. 900 Mil. RM received on the black market, one could have received a value of 7.3 Bil.RM in the official market, had the goods concerned been available in the latter.

In spite of the extent of black market purchasing, the real value of the occupation costs is still above the sum that would be received through conversion at the 5 Pf. rate of exchange (26.8 Bil.RM), since French prices were much lower than German prices at the beginning of the occupation period. The opinion expressed in the recent report of the military commander, namely, that due to black market purchases not even the sum of 26.8 Bil. RM was realized, must therefore be regarded as too pessimistic.

The German clearing debt with France, in which is expressed the value of her external contributions (import surpluses, French workers employed in the Reich), has increased greatly during the occupation years.

Conversion of the clearing debt must be effected at lower rates than at the purchasing power rates referred to above. For, since 1941, the French have levied a duty known as the retenue de perequation" upon those exports for which higher prices were obtained than could be realized in the domestic market. This shows that export prices were, in part, higher than the French domestic prices. It is of course difficult to estimate the degree of this difference. The mean between the purchasing power rate based upon the domestic price and the rate of exchange is shown here for 1941 and 1942:

1941—6.3
1942—5.7

From that time when the purchasing power rate approximated the rate of exchange (about 1943), the latter was adopted and it has been retained for the 1st. quarter of 1944. Imports from France have been cheapened to some extent today, it is true, which might suggest conversion at a rate under the (official) rate of exchange, but the sums expended to that end [Verbilligungsbetrage] are still relatively low. Besides, many goods are still imported from France at less than Reich prices.

The clearing debt was as follows:

	Mil. Fr.	Mil. RM purchasing power
from Nov 1940-Aug 1941	8,976	565
from Sept 1941-Aug 1942	28,438	1,621
from Sept 1942-Aug 1943	57,718	2,736
from Sept 1943-end of March 1944	44,128	2,206
Total		7,128

The total demonstrable French contribution is in the vicinity, then, of 35 Bil. RM. This sum does not include all of the French contributions, e.g. captured raw materials valued at about 255 Mil. RM, war booty, or the billeting.

4. *Belgium.*—From the beginning of the occupation period until 31 March 4 [digit missing] Belgium paid about 5.7 Bil. RM in occupation costs.

Year	Mil. Belg. Fr.	RM rate of purchasing power. 100 B.Fr.=....RM	Mil. RM purchasing power
1940	29,500	8.6	2,537
1941			
1942	19,200	8.0	1,536
1943	15,045	7.7	1,197
Jan/Mar 1944	5,481	7.7	422
Total			5,692

The total given here is probably too high, for the Belgium, too, certain sums regularly reached the black market; at the least, this occurred in the case of personnel expenditures. Belgium's price policy has been definitely more successful than that of France, however, and the extent and prices of the black market accordingly lower. If one reckons with an inflation factor of 3 for 1940 and 1941 and of 6 for the succeeding period and assumes that 1/20 of the amount for the first two years and 1/10 for the remaining period went into the black market, the above figures may be broken down as follows:

	(Official—market)		(Black—market)		
	Mil. Fr.	Mil. RM pur. pow.	Mil. Fr.	Mil. RM pur. pow.	Total Mil. RM pur. pow.
1940 1941	28,025	2,410	1,475	43	2,453
1942	17,280	1,382	1,920	26	1,408
1943	13,540	1,043	1,505	20	1,063
Jan/Mar 1944	4,933	380	548	7	387
Total		5,215		96	5,311

In comparison with the occupation costs, the clearing debt is very high, at least when regarded from the standpoint of the relationship in France. In Belgium it amounts to about ¾ of the occupation costs, whereas it totals only ¼ in France.

It increased as follows:

from 12 July 40-31 Aug. 40 by	21 Mil. RM
from Sept 40-end of Aug 41 by	383 Mil. RM
from Sept 41-end of Aug 42 by	974 Mil. RM
from Sept 42-end of Aug 43 by	1,898 Mil. RM
from Sept 43-end of Mar 44 by	1,012 Mil. RM
Total	4,288 Mil. RM

These RM sums determined with the aid of the official rate of exchange also must be converted to the rate of purchasing power and these must be taken into account the sum of the official black market purchases (Veltjens Action), amounting to 267 Mil. RM, let us say for the sake of simplicity, that the black market action took place entirely within the 4th year of the war economy, even though it began somewhat earlier (mid June 42). The increase of the clearing debt may be broken down as follows:

Year of war economy	(Official—market)		(Black—market)		
	Mil. B. Fr.	Mil. RM pur. pow.	Mil. B. Fr.	Mil. RM pur. pow.	Total Mil. RM
1939-40	265	24	....	....	24
1940-41	4,789	397	....	....	397
1941-42	12,171	974	....	....	974
1942-43	20,388	1,570	3,338	43	1,613
Sept 43 Mar 44	12,650	974	....	....	974
Total		3,939		43	3,982

The sum total of Belgium's contribution, then, amounts to about 9,300 Mil. RM. (not including Belgium's gold deliveries.)

5. *The Netherlands.*—The Netherlands is the only country that not only paid for internal occupation costs, for the subsistence of the troops and other occupation needs, but also contributed to the external costs of occupation. The sums for the latter were paid in part in gold—some time ago the gold reserves were exhausted—and for the rest in Reichsmark. The Reichsmark sums probably originated in foreign trade. To the extent of the latter payments it was possible to import goods from Holland without payment, a procedure that calls to mind English imports from Canada.

	Internal occupation costs 1 hfl. = 1.32 RM Mil. RM	External occupation costs Mil. RM	Total occupation costs Mil. RM
1940-41	1,360	. . .	1,360
1941-42	1,640	950	2,590
1942-43	1,640	600	2,240
1943-44	1,640	600	2,240
Total	6,280	2,150	8,430

If one evaluates the internal occupation costs by the obtaining rate of purchasing power, one arrives at the following sums:

	Reichsmark —actual purchasing power 1 hfl.=... RM	Internal occupation costs Mil. RM	Total occupation costs Mil. RM
1940-41	1.46	1,030	1,500
1941-42	1.30	1,240	1,610
1942-43	1.26	1,240	1,560
1943-44	1.27	1,240	1,570
Total			6,240

After a considerable initial rise in prices in Holland, the purchasing power was successfully held close to the official rate of exchange. The black market prices, however, are especially high. The inflation factor for 1942 is given as 4, while it is estimated at 8 for 1943 and at 10 for 1944.

Probably one-half of the payments made to personnel, which lately constituted ca. 25% of total expenditures, found its way into the black market, and some of the payments for material have been made at higher than official prices (Army purchases of wood, etc.) As in the case with France, we calculate that since 1942-43 10% of expenditures for supplies and equipment made at twice the official prices.

On the basis of the above suppositions, the following accounting can be made:

	Official—market		Wehrmacht mkt. For special pur.		Black—market		Total
	Mil. Hfl.	Mil. RM.	Mil. Hfl.	Mil. RM	Mil. Hfl.	Mil. RM	RM
1940-41	1030	1500	. .	. .	. . .	. .	1,500
1941-42	1178	1530	. .	. .	62	40	1,570
1942-43	992	1248	93	59	156	25	1,332
1943-44	992	1256	93	59	156	20	1,335
Total		5,534		118		85	5,737

Some of the external costs of occupation, too, were connected with the black market. We refer here to the official black market purchases, which were paid for in Holland by Reichsmark and which came to 160 Mil. RM. If we take the black market rate of exchange for 1942 as 32 Rpf, that amounts to the sum of 40 Mil. RM. The Reichsmark remittances for 1942 must therefore be established at 480 Mil. RM instead of 600 Mil. RM. Altogether, we received from Holland the following amounts:

	Internal occupation costs Mil. RM.	External occupation costs Mil. RM.	Total Mil. RM
1940-41	1,500	. . .	1,500
1941-42	1,570	950	2,520
1942-43	1,332	480	1,812
1943-44	1,335	600	1,935
Total	5,737	2,030	7,767

Since the Netherlands has counted as a domestic currency area [Deviseninland] since 1 April 41, the balance of Dutch contributions in external trade with the Reich cannot be exactly ascertained. That part of the total contribution surpluses which is not covered by the external costs of occupation [ausseren Besetzungskosten] accumulates with the Deutsche Reichsbank in the Reichsmark account of the Netherlands Central Bank (as of 31 March 44: 5,120 Mil. RM.). The greater part of this, that is, 4,958 Mil. RM., was invested in Reich Treasury bonds.

Since the acquisition of Gulden through the deposit of Reichmark in Germany was not curbed until recently and the control over goods movements was inadequate, it can be assumed that great sums in Gulden—we estimate them to equal 1/5 of the entire Reichsmark account of the Dutch National Bank—were acquired by Germans for buying on the Dutch black market. If this sum is equated with the average inflation factor of 6, the real value amounts to 4,260 Mil. RM.

The total of Dutch contributions, accordingly, comes to 12,030 Mil. RM.

6. *Denmark.*—Denmark is not considered as occupied territory and so pays no occupation costs. The funds needed by the German troops are placed at the disposition of the head administration of the Reichskreditkassen of the Danish Central Bank by way of credits. For the duration of the war, then, at any rate, Denmark made no uniform contribution. The credits so claimed amounted to almost 1.5 bil. RM by 31 March 44.

	Occupation costs Mil. Kr.	RM purchasing power 100 Kr..... RM	Occupation costs Mil. RM. pur. pow.
1940-41	531	53.1	282
1941-42	437	47.7	208
1942-43	612	47.5	290
1943-44	1391	47.9	666
			1446

No estimation is made of the sums going into the black market. It can be assumed, to be sure, that members of the Wehrmacht buy butter and other products at increased prices in Denmark, too, but it is impossible to make any accurate statement concerning this. For the black market seems less widespread and less well organized than in the occupied western regions and more similar to the German black market, with its irregular price structure. As a rule, certainly, the Danish black market prices were far below the German. Therefore, one can not speak of a uniform over-charge or inflation factor, as in France, Belgium and Holland.

Our closing debt to Denmark amounts to about 1,100 Mil. RM. It increased as follows:

	Mil. Kronen	Mil. RM purchasing power
from 9 April 40-31 Aug 40	297	158
from 1 Sept 40-31 Aug 41	358	171
from 1 Sept 41-31 Aug 42	416	198
from 1 Sept 42-31 Aug 43	560	268
from 1 Sept 43-31 Mar 44	612	293
Total		1,088

Denmark's total contribution; then, amounted to ca. 2,530 Million RM.

7. *Norway.*—The Norwegian economy has borne an especially heavy burden of occupation demands. For this reason the occupation charges had to be limited to only a portion of the Wehrmacht expenditures. The remainder is being financed, for the time being, by credits of the Central Bank, placed at the disposition of the head administration of the Reichskreditkassen.

	Occupation Charges Mil. Kr.	Credit with the Norges Bank Mil. Kr.	Total
1940-41	353	2,132	2,485
1941-42	1,292	1,835	3,127
1942-43	981	942	1,923
6 months 1943 to March 44	ca. 750	ca. 750	ca. 1,500

Expressed in Reichmarks, this equals for the following amounts:

	Mil. Kr.	RM purchasing power 100 Kr. ....RM	Mil. RM purchasing power
1940-41	2,485	63.9	1,588
1941-42	3,137	52.8	1,656
1942-43	1,923	52.6	1,011
1943-44	1,500	52.6	789
			5,044

This sum of over 5 bil. RM is indeed a large amount, taking into consideration the state of Norwegian economy. Countries with much greater economic resources, such as Belgium, paid little more, and Denmark furnished not even half as much. These large contributions were made possible only through German subsidies [Zuschuesse]. It is not surprising, therefore, that German-Norwegian foreign trade is balanced in Germany's favor, i. e. it is a subsidized operation [Zuschussgeschaft]. Since Norway is scarcely in a position to furnish labor forces to Germany, owing to her own manpower shortage, it is one of the few countries which owe us certain amounts under the clearing arrangement.

Status of German clearing balance
(in Mil. RM)

31/8/1940	minus	5.6
31/8/1941	plus	111.3
31/8/1942	plus	43.2
31/8/1943	plus	105.3
31/3/1944	plus	132.3

Increases and decreases in the German demands made on Norway were as follows:

	Mil. kronen		Mil. RM purchasing power	
from 9/4/1940-31/8/1940	minus	10	minus	6.4
from 1/9/1940-31/8/1941	plus	205	plus	131.0
from 1/9/1941-31/8/1942	minus	120	minus	63.4
from 1/9/1942-31/8/1943	plus	109	Plus	57.3
from 1/9/1943-31/3/1944	plus	47	plus	24.7
			plus	143.2

If this sum of about 140 mil. is subtracted from the occupation charges and credits granted, as presented above, there still remains the very considerable sum of ca. 4,900 mil. RM representing the contribution made by Norway.

8. *Serbia* * * *

9. *Greece* * * *

10. *Occupied eastern areas.*—In determining the value of the contributions of the eastern occupied areas it is expedient to appraise separately the items involved. For occupation payments were made only by the Ostland and the Ukraine, but not by the zone of operations, and only a part of the foreign trade is carried on under clearing arrangements. The goods claimed by the Wehrmacht and the Reich are provided at German wholesale prices. Since the extent of much of the services rendered (quartering and transport) is unknown and the value of only the most important food and raw material deliveries has been determined, the sum arrived at by the addition of the individual items is necessarily too low.

a. Agricultural deliveries totaled just about 4 bil. RM as against German counter contributions of 500 Mil. RM, so that the total value received was in the neighborhood of 3.5 bil. RM.

b. In the field of industrial contributions very little was achieved. Russian deliveries of raw materials valued at ca. 725 mil. RM are offset by German importations of machinery, tools, and equipment valued at 500 mil. RM and coal deliveries (not counting those to the Wehrmacht and the railways) amounting to ca. 35 mil. RM. There remains a net profit, therefore, of only 190 mil. RM. There should be added the contributions made by the processing industries to the Army of the East (Osthee), here estimated at 500 Mil. RM. The total contributions in the industrial field can therefore be placed at 690 Bil. RM.

c. Finally, the net profit from the employment of the eastern workers, obtained from laborers remittances and deductions from wages [Ostarbeiterabgabe], must be taken into account.

Workers' remittances	26.5 Mil. RM
Deductions	209. Mil. RM
Total	335.5 Mil. RM

d. The final balance—admittedly incomplete—appears something like this:

	Mil. RM
Agricultural contributions	3,500
Industrial contributions	690
Manpower labor value	335
Total	4,525

The Russian contributions total, then, 4.5 Bil. RM. This is less than the contributions of most of the countries. France furnished about 7 times as much, Belgium more than twice as much, and the other countries, with few exceptions, also provided more. The figure given appears unbelievably low, in fact, not only in comparison with other countries, but also from an absolute standpoint. The value of all food and raw material deliveries to the Wehrmacht and of the man power employed in the Reich is doubtless not fully represented in this sum of 4.5 Bil. RM, even if one subtracts the very considerable German investments in the then Russian economy. The contributions which can not be assessed doubtless run into the billions. They will be taken into consideration in the concluding statement, where all the contributions which can not be statistically evaluated will be summarized.

TRANSLATION OF DOCUMENT EC–87

HIGH COMMAND OF THE WEHRMACHT
DEPARTMENT OF AGRICULTURE

Homeland and Occupied Areas
Br. B. No. 1945 a/44 g, Kds i/III d

19th.dispatch
1st.dispatch

For addressee only.
Forwarding prohibited.

Contribution of the Netherlands toward German War Economy.

I. *Assignment of Labor*

1. *Immediate Assignment in the Netherlands* (August 1944).

In Armament Industries	—154,618	Manpower
In Offices of the three branches of the Wehrmacht.	— 54,802	"
By the *OT* (approx)	— 14,000	"

2. *Assignment in the Reich (June 1944)*

Civilian Labor male	—254,820	"
" " female	— 22,118	"

These are about 5% of the 5.7 million foreign civilian laborers assigned in the Reich.

II. *Raw materials*—The Low Lands are of only minor significance as far as supplying of raw materials are concerned.

1. The supply of pit-coal in the district of southern Limburg in 1943, amounted to 12.5 million tons, the coke production 2.16 million tons. The Netherlands delivered to Germany approximately the same amount of coal, which she imported from Germany in exchange material. The *German-Dutch coal trade balance is therewith balanced.* The material exchange in 1944 should total about 1.2 million tons of coal. Without this exchange no quantitative disadvantage results but only a minimum exchange disadvantage results.

2. The production of iron and steel (rolling mill and foundry in the amount of 10,000 moto does not weigh heavily in the face of the hitherto total production of Germany in the amount of 2.4 million Moto.

III. *Food.*—The contribution for food supplies of the Reich is comprised of:

1. Supply of occupation troops
2. *Vegetables*

In 1943, the import of vegetables to the Reich amounted to 320,000 tons equal about 6% of the German harvest. In 1944, it can be reckoned with considerable harvest losses due to the flooding of farmland in the amount of 104,000 hectare. The loss in cultivation of vegetables can be estimated about 14%. Further decreases of production may result through planting of mines and wire fences.

3. *Vegetable seeds.*—In 1943 the Netherlands delivered 3,466 tons of seeds. In 1944 with the annual quota of about 7.055 tons, up to 6.282 tons were exported to the Reich up to the middle of May. This amount represents a considerable portion of the total vegetable seed need in Germany.

4. *Meats and fats.*—The deliveries of meat in 1943 in the amount of 12,000 tons—5% of the German consumption—and of fats in the amount of 3,000 tons—3% of the German consumption—have no influence on the German supply.

IV. *Armament.*—The output of the Dutch Armament industry amounted to about 2-3% of the total Armament of Germany in 1943.

1. *Ships* (war—auxiliary—and commercial ships.)

The deliveries including reconversion and repairs, amounted to 287 Million Reichsmark. This corresponds to a portion of 14% of the total German output in 1943.

Production in Detail was:

Small warships, as mine sweepers, scout boats, torpedo boats, war fish cutters etc. Construction of Hansa boats (3,000 tons) freighters, inland barges. Furthermore reconversion of large ships, ship repairs, deliveries of warship equipment.

Turn out 1943

New construction: Small boats	—	156
auxiliary boats	—	208
Reconversion: Large boats	—	51
Small boats	—	300

2. *Airplane and plane parts.*—Production of parts for plane cockpits and engines. Construction of training and war planes. The monthly output was 3 fighter planes. In 1943, the share of the Dutch deliveries amounted to 95 Million Reichsmark 1.1% of the total production of Germany.

3.

		Million Rm	% of total German production.
Communication instruments	—	74	8.3
Optical instruments	—	16	3.5
Miscellaneous military instruments	—	58	9.7

TRANSLATION OF DOCUMENT EC–101

Heinz Schmid—Lossberg

Fuerstenhagen, 21 September 1945

Office of the Chief of Counsel
APO 403, U. S. Army
Attention: Dr. R. W. M. Kempner

Re: Holland, Belgium and France.

In connection with yesterday's oral interrogation in Fuerstenhagen by Dr. R. W. M. Kempner of the Office of the Chief of Counsel in Nurnberg, I was asked to record in a written report the most important transactions of the Armament Corporation (Ruestungskontor G.m.b.H.) and its daughter establishments as far as known me.

I. Armament Corporation founded 4 May 1942.

1. Action on Copper.

Upon decree of the Fuehrer, the Reich Minister for Armament and Ammunition (henceforth called Armament Minister for short) Commissioner General for Armament questions under the Four-Year Plan, has ordered on May 13, 1942 the carrying through of an action on copper with the purpose of removing copper and lead from the transmission installations of power distribution plants in Germany. On 31 May 1943, this decree was extended to the occupied Western territories. Copy of this decree is inclosed (Incl. 1). Also inclosed are copy of decree of Inspector General for Water and power, special section for Action on Copper of 2 June 1943 (Incl. 2) and copy of letter of 8 June 1943 from the Inspector General for Water and Power to the Armament Corporation (Incl. 3).

Finally, then, is inclosed copy of a paper entitled "Synopsis of measures connected with the action on copper in the non-German and occupied territories" of 20 January 1942 published by the Inspector General for Water and Power, Az. E. Pl. 53/344/43 (Incl. 4). According to this the Armament Corporation had been directed to procure for the Armament Minister and according to instructions from the Inspector General for Water and Power, necessary substitute material such as iron cables, poles, isolators, clamps, connecting pieces and tools, and to put these free of charge at the disposal of the removal agencies of the Inspector General for Water and Power. The removal was to be carried out by the local power supply enterprises in Holland, Belgium and France, which on their part had to deliver the removed material to the trusted dealers appointed by the Inspector General for Water and Power, or to the Organization *Schu.* On the basis of receipts issued by these agencies, the armament office had to pay for each ton of copper the equivalent of RM 1,800 in the currency of the country for the account of the Armament Ministry.

Beyond this, the German Government in a letter from the military commander, France, of 9 May 1944, to the Minister of industrial products and transportation has pledged itself to furnish—after the termination of hostilities—and upon payment of the cost of procurement—copper in kind and in the same amounts as had been removed from the networks and in as far as they had to be replaced by substitute material or will have to be replaced by copper conductors as soon as a state of peace has been reached. Moreover, the German government credited to a special account of the French government Reichsmark 1000 per ton of copper removed and delivered and replaced by substitute material, thus providing for the future removal of the substitute lines and the reinstallation of copper networks.

Finally in March, 1944 and on the request of the French Minister for Production and Transportation, the compensation rate was raised in France from Reichsmark 1,800 per ton to Reichsmark 2,000 and a 12% surcharge was granted on the amount of Reichsmark 2000 per ton in order to cover the cost of intermediate financing, of the French administrative expenses and the transport expenses to the French collection depots.

2. Fellgiebel Program.

According to the agreement of 16 February 1943, the Armament Corporation, upon request of the Reich Agency for Iron and Metals, undertook to pay the compensations owed for metals delivered in connection with the so-called Deficit-Metals Action Fellgiebel Program in Holland, Belgium and France. The Fellgiebel Program covered the removal of metals from the communications sector. The following are some of the rates of compensation:

Copper and Bronze	Reichsmark 1,800 per ton
Brass	900 per ton
Soft Lead, so-called cable-lead	270 per ton

3. Action on Bell and Type metals.

In the Action on bell and type metals in Belgium, too, the Armament Corporation had to make payments by order of and for the accounts of the Reich Agency for Iron and Metals. The details can be seen from the inclosed copy of the written order of the Reich Agency for Iron and Metals of 11 May 1943 (Incl 5).

4. General procurement and financing.

Upon orders from the various Reich deputies competent in each case, the Armament Corporation in the three countries enumerated above has brought, among other things, the following:

Barracks; barrack furniture, such as tables, chairs, footstools, benches, dishes, etc.

And in France:

Generators for operating motor vehicles and Panzersteel [Panzerguss].

Upon order of the Reich Ministry for Armament and War Production, the Armament Corporation on 3 April 1943 made an agreement with the "Manufactures de Produits Chimiques du Nord, Etablissements Kuhlmann" concerning:

2 water-gas generators and 2 ammonia plants.

The agreement is attached as inclosure 6.

Upon order of the Armament Minister, the Armament Corporation has also made diverse payments amounting to approx. Reichsmark 600,000 which are enumerated in a document examined by Lt. Sturz of your office. For the sake of completeness I should like to mention that the branch office of the Armament Corporation in Paris has discounted claims of French firms on German Wehrmacht agencies, so that the suppliers would receive their money more quickly and that the Union of German Iron Furnace Manufacturers, Inc., Kassel, 36 Parkstrasse has arranged for the payments of the claims of the French iron hearth manufacturers through the branch office, Paris.

5. Iron and metal clearing offices.

The Armament Corporation has also maintained clearing offices in the Hague, Brussels and Paris. The iron and metal clearing office with the Armament Corporation had been opened on the basis of regulation I of the Reich Agency for Iron and Steel of 13 July 1942, published in the *Deutscher Reichsanzeiger* and the *Preussischer Staatsanzeiger* on 13 June (sic!) 1941 which among other points contained the following:

Assignment of Iron Priorities:

(1) Quota-holders and quota agencies are obliged to maintain and account for iron with the "Iron clearing office" of the Armament Corporation, Berlin.

(2) The quota-holders receive their priorities through remittance to their iron account with the iron clearing office as a rule every three months.

Transfer of Iron Priorities:

(1) The quota-holders draw on their iron account with the iron clearing office by means of an iron certificate. Iron certificates are valid only after the iron clearing office confirms a credit balance.

(2) Placers of orders who are not quota-holders may obtain the iron to which they are entitled by iron transfer certificates. Receivers of iron transfer certificates proceed in the same manner when dealing with their suppliers.

(3) In the transfer of iron priorities for small quantities it is possible to replace the iron certificates and iron transfer certificates by iron tokens of specific denominations.

II. *Betriebsmittel G.m.b.H. (Fuel Corporation, Berlin, founded 20 August 1943.*

The Bertriebsmittel G.m.b.H. has ordered tool machines from the Societe d'Outillage Mecanique et d'Usinage d'Artillerie St. Quentin (Seine), 170 Boulevard Victor Hugo. The order has been filled in part.

In April, 1944, the Betriebsmittel G.m.b.H. took over from Pimetex tools and other material bought by Pimetex, esp. in France and Belgium, and sold them in Germany. Prices were often eight times that of the German domestic price. In order to be able to sell these goods in Germany it was necessary to reduce the price to the domestic level; the cost for this was paid by the Reich Agencies or the Armament Ministry.

Upon order of the Reich Minister for Armament and Ammunition, the Betriebsmittel G.m.b.H. has made payments to licensed engineer Freiherr von Heycking since August, 1944. The first order of 31 August 1944 is attached as Incl. 7.

III. *Roges, Rohstoff-Handelsgesellschaft G.m.b.H., Berlin, founded 18 December 1940.* (Raw material trading corporation.)

The Roges Corporation is a foundation of the Wifo, Wirtschaftliche Forschungsgesellschaft m.b.H. (Economic Research Corporation) and was run in the beginning by the Reich Economics Ministry (Reichswirtschaftsministerium) and the OKH. On 13 August 1942 the shares of the Roges were ceded to the Armament Corporation upon order of the Armament Minister. From that date on the Roges has received orders from the Armament Minister and the Reich Economics Minister.

In contrast with the corporations enumerated under I and II, the Roges was not conducted in the form of a personal union, but had its independent business management. The records of the firm are not here. The under-signed was merely a member of the advisory council (Beirat). As a result of this position he knows that the tasks of the Roges in the Western territories were approx. the following:

a. Storage and sale of metals of all kinds, leather and textiles, industrial diamants, tools and tool machines, etc. upon order of the competent Reich agencies and for their account. The Roges used Pimetex partly in making purchases.

b. Earmarking and utilization of war booty consisting of the materials enumerated above.

IV. *Generatorkraft A.G., Berlin, bought on 1 December 1942.* (Generator Power Company.)

The Industriekontor has a 50% interest in the Generatorkraft A.G. The rest is mainly in the hands of the A.G. for Kohlenwerkstoff-Verbaende. The Generatorkraft A.G. had the task to make solid fuel, to store and to distribute it. For this purpose it bought 50% of the *"Les Carburants" Francais,* in Paris, the rest being in the hands of the *Banque de Paris et des Pays-Bas* in Paris. This company produced charcoal and received credits through the Armament Corporation a meta the above mentioned French bank.

Copy.

Berlin, May 31, 1943

The Reichs Minister for
Armament and Munition
Plenipotentiary for the Armament Tasks of the Four Year Plan
Rue A/Ro Nr. 1811/43

re: Decree for a transformation of the transmission plants in the energy sector France.

To *Distributors*

According to an order of the Fuehrer I gave orders on May 13, 1942, to execute a copper action in order to increase the amount of copper and lead of the transmission plans of the electrical supply enterprises. In Germany, the increased copper production has been going on since 1 August 1942, in Belgium, North France and the Netherlands since several months; considerable amounts of copper and lead had already been delivered.

In following up this order of the Fuehrer, I order, according to a special order of the Fuehrer, the transformation of the transmission plants of the electrical supply enterprises in the occupied French territory and in the zone Southern France as an eminent armament task.

The amounts resulted from this action are to be transported to Germany outside of the metal project.

My representative for the copper action at the General Inspector for Water and Energy will report monthly to me about the result of the increase of getting copper from France.

Speer.

Distributors:
Military Commander France,
Supreme Commander West
President of the Armament and Provision Commission, France
Armament and Provision Staff, France
General Inspector for Water and Energy.

Copy

To the Inspector General for Water and Power
Specialist for Action on Copper
E. Pl. 53—1926 /43 Berlin, 2 June 1943
Re: Material substitution in transmission plants in the power—sector France

Upon special instruction from the Fuehrer, the RM.f. BuM. and the Commissioner General for armament problems under the Four-Year Plan have given orders to pay immediate attention to the material substitution (Copper removal) in the transmission installation of electric power supply enterprises in the occupied French territory and in the region Southern France as a primary armament task. Copy of the order inclosed.

The Reich Minister for Armament and Ammunition and Commissioner General for armament problems under the Four-Year Plan has issued a supplementary decree:

In connection with my order concerning material substitution (Copper removal) in mission plants in the power sector France I give the following instructions:

The Chairman of the armament and supply commission and the deputy of the Reich Minister for Armament and Ammunition are instructed to support the execution of the measures with all rigor.

The execution of the measures is carried out along the same lines as in Germany or in the other occupied territories, i.e. in accordance with the general directives of the deputy at GIWE, Dr. Luehr.

I put Cpt. Irion of GIWE as plenipotentiary of Dr. Luehr in France in charge of all questions of organization, substitute material, and labor connected with this substitution campaign. He is to be in close connection with the section Power [Energie Referat] at the Mil. Bef. France, which is in charge of the execution of measures within the jurisdiction of the Mil. Bef.

Signed: LUEHR

Copy

Berlin, 20 Jan. 1943.

Synopsis of measures for the non-German and occupied territories involved in the action on copper.

I. Scope of action on copper
II. Organization of the Inspectorate General
III. Manpower for the execution of the action on copper
IV. Equivalent value for copper
V. Supply of substitute material
VI. Collection and preparation of removed copper

I. Scope of action on copper.

The following will be earmarked for use of the Wehrmacht:

a. Copper and bronze from newly removed lines and stripped cables

b. Waste material and in particular
  1. Unalloyed copper
  2. Brass and tombak alloys
  3. "Rotguss" ("red font") alloys
  4. Bronze alloys

c. Old copper from cables which have been removed by the EVU (Electrical supply enterprises).

For the Reich office for Iron and Metals the confiscated half-finished material of unalloyed copper will be taken away for the civilian sector.

As far as overland nets are concerned, the action for copper includes for the time being all low-tension and medium-tension networks up to and including 30 KW, for the substitution of which no special armatures are needed.

II. Organization of the Inspectorate General.

The accomplishment of the action on copper in the non-German or occupied territories is in the hands of deputies who are engaged by the Inspector General for Water and Power. For the occupied territories, these men will be for the present:

1. Director *Fiebig*, deputy of the Reich Minister for Armament and Ammunition for the Netherlands at the Hague.

2. OKVR. Dr. *Jansen* with the military commander (Militaerbefehlshaber) in Belgium and Northern France, Military Chief of Administration, Group I, 3, Brussels.

3. OKVR. *Henney* with the military commander in France, Administrative staff Wi II, C, Paris.

III. Manpower needed for the execution of the action on copper.

In view of the fact that the action on copper will extend over a longer period of time and in view of its importance for the armament program of all three parts of the Wehrmacht, it is absolutely essential to guarantee the necessary labor supply. Primarily available is the Monday personnel of the electrical supply enterprises (in Germany this labor source was designated as "key labor"). Beyond this, necessary agreements have to be made with the offices of labor supply. This means also that motor vehicles in necessary numbers or other means of transportation must be available in order to transport the workers to their place of work. The need for labor is especially great on Saturdays and Sundays, i.e. on days on which the work on the networks can be most easily carried on since some current is cut off. For the taking apart of old cables prisoners or convicts can be used to a large extent.

The Reich Ministry for Labor has been informed that the carrying out of the action on copper in non-German and occupied territories requires a considerable labor supply. In Germany it was possible to grant extra food rations for heavy labor to a limited extent. Moreover, ration-free shoes and coats have been released in view of the increased wear and tear. These and similar privileges will be granted in occupied territories only where they are really in order, and if they can be procured in the country. Allotment from Germany is excluded. Proposals of a fundamental nature will be presented to the GIWE. It will only facilitate the execution of the action on copper and the work of the deputies of the GIWE, if the workers are granted all possible privileges. Such privileges will be granted primarily to those workers of the EVU who do their best to further the action on copper and who fulfill their quota or surpass it.

IV. Equivalent value for copper.

The action on copper in no way represents a confiscation. The execution of the action will be carried out on the basis of private economy, according to decrees of the state secretary, on the basis of lump rates.

It was decided that for each receipted ton of removed copper a credit rate of 1,800 Reichsmarks will be paid, of which 1,000

Reichsmarks is for the copper, 800 Reichsmarks for reimbursement for wages. This rate is uniform for the occupied western territories of Holland, Belgium and France.

Apart from old copper, brass and tombak can be delivered, as well as "Rotguss" and bronze. For the purpose of crediting brass, tombak and bronze will be treated as containing 50% copper, "Rotguss", 70%; both as to quantity and cost of labor. For each ton of material delivered only the above quoted percentages will be counted as delivered.

For old lead from cables a price of 150 Reichsmarks will be credited by the Armament Corporation (Ruestungskontor G.m.b.H). For lead delivered within the framework of the action on copper and obtained from batteries, the following prices are fixed:

a. Battery-plates which have been exposed to the effect of acid	118.50 RM per ton
b. Lead from battery-plates and cases not exposed to the effects of acid	150.00 RM per ton
c. Lead sludge (to be delivered in wooden barrels)	79.50 RM per ton

V. Supply of Substitution Material.

The Armament Corporation (procurement office of RM. f.B.u. M.) has been made the central procurement agency for all substitute material. The Armament Corporation maintains branch offices in the most important non-German territories. The following materials fall under the category of substitute material: iron cables, "Reinalue" and "Stalue" cables, clamps, poles, isolators, wire etc. In view of the uniformity of the orders for Germany and the non-German countries only material designated as standard material for the action on copper can be delivered. The material itself from Germany or the territories will be procured exclusively by the Armament Corporation or its branch offices. Bills for the equivalent value of material taken in small quantities from the stocks of the EVU, have to be handed in at the branch offices of the Armament Corporation.

Orders for substitute material have to be made on the proper form (in 4 copies) and filed with the deputy of the Inspector General for Water and Power. The deputy keeps one copy, the second is sent to the branch office, Armament Corporation, the third and fourth are sent by him to the Inspector General for Water and Power, 3 Pariser Platz, Berlin (deadline for quarterly quota for 2nd quarter 1943 : 25 Jan. 1943). Except for "Reinalue" and "Stalue" cables no charge is made by the Reich for substitute material. The plants will be charged market prices for those "Reinalue" and "Stalue" cables which are allowed to remain in the networks after substitution has been made. Where rations are distributed for fuel supply, the branch offices, Armament Corporation, will make corresponding reimbursement. Duplicate orders from both Reich and Territory are to be avoided under all circumstances. The engagement of free agents from a given country is not done by the deputy of the GIWE but by the proper channels in accordance with the GIWE and the ringleaders.

Substitute material will be delivered to collection depots to be determined by the deputies of the GIWE.

VI. Collection and Earmarking of Removed Copper.

The removed copper will be collected uniformly by the Reich agency for Iron and Metals by specially designated trusted dealers. In the occupied territories quantities from smaller EVU are collected at the larger plants, packed in trainloads and then delivered to the trusted dealers. The use of trusted dealers in the non-German territories will be reserved for special agreements with the Reich agency for Iron and Metals in each individual case. It seems expedient to begin the action on copper with those stocks and parts of installations which can be spared, i.e. for which no substitution has to be made.

The branch offices of the Armament Corporation, on behalf of the RM.f.B.u.M. and simultaneously in their capacity as deputies of the Reich agency for Iron and Metals, will take over the payment of compensation for expenditures to the trusted dealers and to those plants which it may be necessary to strip.

Reports on the removed or receipted amounts (of material) are to be rendered on the proper form by the 31st of each month and filed with the GIWE, Berlin.

An effort should be made to fix a monthly delivery quota, which must under all circumstances be filled, by creating and procuring reserves, if necessary.

The deputies in the occupied Western territories will currently receive the circulars valid for Germany in order to make it possible for the action on copper to be carried out in close contact with that of the Reich in the occupied territories as well.

Reichsminister for Armament and War Production
W.F.—Wi 4

Berlin W8, Pariser Platz 4, 31 Aug. 1944
Tel. 11 0052/1188
Through messenger

To the Armament Office
Attention to Dr. Schulte Langforth
Berlin W 9, Tirpitzufer 20—24

Licensed engineer (Dipl. Ing.) Freiherr von Heycing received the special order from the Reich Minister for Armament and War Production to carry out measures for the dismantling of machines in the occupied Western regions. For this purpose he needs the equivalent of Reichsmark 100 000 in French and Belgian francs. The Reichsbank has declared its willingness to pay him this sum in bank notes.

It is requested that a check for Reichsmark 100 000 drawn on the Reichsbank be handed to Mr. von Heycing so that he can have these sums called for at the Reichsbank.

By order

von Fuerstenberg.

Nurnberg, Germany,
22nd November, 1945.

Affidavit

I, Robert Kempner, of the Office of the U. S. Chief of Counsel, certify that I interviewed Heinz Schmid-Lossberg, at Fuerstenhagen, on or about 1 September, 1945. He told me at the time that he was one of the leading Officers of the Ruestungskontor G.m.b.H., whereupon I requested him to write a report on the organization and functions of the Ruestungskontor. I subsequently received in the mail document No. EC-101, purporting to bear the signature of Heinz Schmid-Lossberg.

R. M. W. KEMPNER

GERMAN ARMISTICE COMMISSION
WIESBADEN
GROUP: ECONOMY AND ARMAMENT, No. 62/40 g.

Wiesbaden, 8 July 1940
To report to Office Chief

To the Supreme Command of the Armed Forces/Economy Armament Office
BERLIN W 62 Kurfuerstenstrasse 63/69

We are enclosing herewith copy of a letter of the Delegate for the Four Year Plan concerning the execution of the armistice agreement that was forwarded to the different Reich Departments after a meeting of 4 July 1940.

OKW has not taken part in these preliminary discussions as far as is known here.

By order

[signature illegible]

1 enclosure.

SECRET

SUPREME COMMAND OF THE ARMED FORCES
WFA/abt. L (IVa) No. 0258/40 secret

France General Headquarters
9 July 1940

Re: Decisions of the Fuehrer in Armistice questions.

1. The French Delegation with the German Armistice Commission pointed out that a more intimate cooperation between Germany and France is necessary on account of the English attacks against the French Navy and similar events. The requests of the French Delegation to this question so far were decided by the Fuehrer in each case individually.

The Fuehrer has decided that this procedure is to be continued with the French Delegation. A principle decision of the Fuehrer in this question cannot be had for the present moment. It is dependent also on how much France can contribute to this mutual war effort and therefore further time to think it over is required.

The Fuehrer has also again pointed out that everything that is done extending the scope of the Armistice has to be received by the Armistice Commission and has to be passed on for decision to the OKW—Dept. L.

2. The Fuehrer has issued the following directives for the German Economic Commission with the Armistice Commission:

a. The unoccupied territory under no circumstances should become an additional burden for Germany. On the contrary, war vital goods and raw materials have to be gotten out of the unoccupied territory. The legal basis herefor can be found in the introduction to the Armistice Agreement.

b. Therefore, no objections will be raised against giving relief to the unoccupied territory. This relief must not, however be in in any way to the disadvantage of Germany or the occupied territory. On the contrary, the unoccupied territory should be, if possible, of additional assistance to Germany.

c. Fears of a communist danger in unoccupied territory are without foundation in fact. Germany at any time is in possession of sufficient power to guarantee order also in the unoccupied territory.

3. Otherwise the Fuehrer pointed out that the interest of France to end the war quickly between Germany and England should be kept up. Therefore it would be advantageous not to give out of hand certain means of pressure before the appropriate time arrives.

The Chief of the Supreme Command of the Armed Forces
By order

(Signature)

Distribution
OKH General Staff, Operations Dept.
OKN, 1st Dept. Skl.
Command of the Air Forces
Air Force Command Staff 1a
OKW:
Foreign/Defense
Economy Armament Office

SECRET

MINISTER PRESIDENT GENERAL FIELD MARSHAL GOERING
DELEGATE FOR THE FOUR-YEAR PLAN, V.P. 11192/5 g.
Berlin W 8, Leipzigerstr. 3, 5 July 1940

Re: Execution of the Armistice Agreement.

I. According to a wish uttered in the meeting of the 4th of July 1940. I repeat my remarks about the legal situation as follows:

a. The armistice agreement does not give Germany any rights in the economy of the unoccupied territory of France. Such rights, therefore, cannot be construed even in the way of extensive interpretation.

b. This does not exclude that we cannot request from the French Government, also for the unoccupied territory, according to Art. 10, 1, the abolishing of the Black Lists as well as the abolishing of measures against German property.

The return of rolling stock and other transport from the unoccupied into the occupied territory has been regulated in Art. 13, Par. 2.

Further it can be requested, under the title "transport" according to Par. 5 by military negotiations, also the delivery of horses to a certain degree from the unoccupied territory.

c. Concerning the occupied parts of France, Germany can request certain rights in the economic field according to Art. 3, 17 and 21.

Art. 3 gives Germany "all rights of the occupation power." On these "rights of the occupation power" Germany can base all measures which are, according to her own judgment, necessary for the continuation of the war against England.

Accordingly the rights of Art. 3 are more extensive than the rights of the occupation power in the Hague Regulations for the War on Land.

Art. 17 gives Germany the right of securing the economic values and stocks in the occupied territory and makes directives by the French Government dependent on German permission. Germany has promised to take in consideration the vital necessities of the unoccupied territory in requests of the French Government for German permission according to the foregoing sentence.

Art. 21 does not give additional right but is only the security for the guaranty of the French Government for the execution of all contracted obligations.

II. The point of gravity for all economic measures in France is accordingly with the military commander who is to execute all rights of the occupation power according to Art. 3. The Military Commander is Colonel General von Brauchitsch, his deputy General Streccius. Wuerttemberg Minister for Economics, Jonathan Schmidt, has been appointed chief of the Military Administration, the Ministerialdirigent Michel has been appointed by the General Field Marshal as Leader of the Economic Department and several officials of the Economic Department have to be appointed as his assistants.

III. The negotiations concerning economic questions of the Armistice agreement will not be directed in the future by the General of the Infantry, von Stuelpnagel but through a special economic delegation for which the General Field Marshal, in agreement with the Foreign Office, has appointed Minister Hemmen as head. The Economic delegation will initiate discussions about the execution of the economic agreements in the Armistice agreement and besides will carry other negotiations with the French Government concerning general economic relations. It must be the aim of the Delegation to put, as far as possible, the economic capacity of the unoccupied territory in the service of the German War Economy.

IV. The suggested definition of the term "economic values" in Art. 17, as suggested in the meeting of 4 July 1940, by Ministerialdirektor Moritz is enclosed as an appendix. You are requested, as agreed, to examine the suggestion and to make, if possible until 6 July 1940, 12 noon, eventual amendments or changes. I demand that your suggestions will be made known simultaneously directly to all other departments concerned.

V. At the same time ask for information concerning the requests to be made according to Art. 17 to the French Government for securing of stocks and economic values in the occupied territory. I request to take into consideration regarding these suggestions whether it is useful to ask the French Government for legal and administrative measures by way of the Armistice Agreement or if it would be better to have the military commander according to Art. 3 issue his own administrative decrees. I further want you to take in consideration that an orderly French administration in the occupied parts of France does not exist at present.

By order

(signed) Dr. Gramsch
Certified:
Krieger
Ministerialregistrator.

To:

a. Reich Minister for Economics
    att. Oberregierungsrat Janke
b. Reich Minister for Food
    1. att. Ministerialdirektor Moritz
    2. att. Oberregierungsrat Thormann
c. Reich Minister of Finance
    att. Ministerialrat Litter

d. Reich Transport Minister
e. The General Delegate for Transport
  att. Oberst Thoennissen
f. Reich Minister for Labor
  att. Ministerialrat Richter
g. Reich Forest Master
  att. Landforest Master Barth
h. Board of Directors of the Reichs Bank
  att. Director Hartlieb.

Appendix to letter of 5 July 1940.

Economic Property is the general term for everything which determines the economic life of the individual or the community. Naturally, a complete list of all these values cannot be given. In order to explain the contents of the term to the French Government and to facilitate its use, I give the following list of examples of economic values of the most important economic fields.

> Foodstuffs and feed of all kinds as well as raw materials, installations for its production, raw materials, semi-finished and finished products of all kinds as well as installations and structures for its production including mineral wealth and forests, foreign exchange currency, etc.

PARTIAL TRANSLATION OF DOCUMENT EC-126

23 May 1941

Economic Staff East, Agricultural Group.

Economic Policy Directives for Economic Organization, East, Agricultural Group

Prior to World War I, Russia was the country with the largest surplus of agricultural products in the world. Situated in the zone of extensive cultivation and extensive cattle production, Russia produced a yearly average during the years 1909-1913 for the world market of: approximately 11 million tons of grain, about 1/3 of the total amount of grain in world markets; 228,000 tons of oil seeds; 660,000 tons of oil cake; 266,000 tons of sugar; 68,000 tons of butter; and 218,000 tons=5 billion eggs. Today, Russia exports only very small percentages thereof, i.e. annual grain export averaging approximately from 1 to not more than 2 million. At the same time, the territory cultivated in Russia, however, according to their statistics, has increased considerably. For example:—

For	*From 1913*	*To 1938*
Grain	94,4 Mill. ha	102,4 Mill. ha
Potatoes	3,1 Mill. ha	7,4 Mill. ha
Sugar beet	0,6 Mill. ha	1,2 Mill. ha
Sun flowers	1,0 Mill. ha	3,1 Mill. ha (1928/32 even 4,2 Mill.)
Linseed	0,4 Mill. ha	0,4 Mill. ha
Soya	—	0,2 Mill. ha
Fodder	2,0 Mill. ha	9,1 Mill. ha
Flax	1,0 Mill. ha	1,9 Mill. ha
Cotton	0,7 Mill. ha	2,1 Mill. ha
Hemp	0,6 Mill. ha	0,9 Mill. ha (1928/32)

Accordingly, the crops have increased according to the Russian statistics.

	1909/13	*1937*	*1938*
Grain	70,0 Mill. t.	120,3 Mill. t.	95,0 Mill.t.
thereof			(1940: 112,0)
Wheat	20,6	46,9	
Rye	18,9	29,2	
Oats	13,4	21,9	
Barley	9,0	10,6	
Maize	1,3	4,8 (1933)	
Potatoes	20,2	65,6	
Sugar beet	9,9	21,9	
Flax	0,5	0,6	0,6
Cotton	0,23	0,82	0,84
Hemp	0,33	0,27	

The explanation for these figures is to be seen in the following:

i. The total population has increased from 140 million in 1914 to 170 and a half million in 1939. In particular, the city population has increased from approximately 10% to approximately 30% of the total population.

ii. The number of pigs has increased from 14.2 million in 1913 to 30.6 million in 1938, and with it the requirement for fodder.

iii. The number of sheep and goats has increased from 74 million in 1913 to 102.5 million in 1938.

* * * * * * *

*It can be assumed that the present crops are not greater than in the pre-World War I period, despite an expansion of the cultivated areas * * * The grain surplus of Russia is decisively determined not by the size of the crop but by the level of domestic consumption.* Even a small decrease of 30 kgms. per person of the population (220 kgms. instead of 250 kgms.) and a decrease of the ration for horses of 25% will create an export surplus equalling almost the amount prevailing in peace-time.

This fact is the key upon which our actions and our economic policy must be based.

For:—

a. Doubtless, war activities will decrease production in the beginning and possibly—depending upon the amount of destruction—for many years. An increase in production will require years.

b. Since Germany and Europe, respectively, require surplus under all circumstances, the consumption must be decreased correspondingly. The examples given above show the extent to which the amount of surplus can be increased by a limitation of consumption.

c. Such a decrease of consumption, contrary to the territories so far occupied, is feasible here because the principal food surplus area is clearly separated from the principal deficit area. Contrary to territory under the General Gouvernement, the Protectorate, France and Belgium, here no mixture of deficit and surplus areas such as would prevent a seizure due to black market, or direct contacts between producer and consumer.

The surplus territories are situated in the black soil district (that is, in the south & south-east) and in the Caucasus. The deficit areas are principally located in the forest zone of the north.

Therefore, an isolation of the black soil areas must in any case place greater or lesser surpluses in these regions at our disposal. *The consequences will be cessation of supplies to the entire forest zone, including the essential industrial centers of Moscow and St. Petersburg.*

* * * * * * *

This means:

1. All industry in the deficit area, particularly the manufacturing industries in the Moscow and Petersburg regions as well as the Ural industrial region, will be abandoned. It may be assumed that these regions today absorb an annual 5-10 million tons from the food production zone.

2. The Trans-Caucasian oil district will have to be excepted, although it is a deficit area. This source of oil, cotton, manganese, copper, silk and tea must continue to be supplied with food in any case, for special political and economic reasons.

3. No further exceptions with a view to preserving one or the other industrial region or industrial enterprise must be permitted.

4. Industry can only be preserved insofar as it is located in the surplus region. This applies, apart from the above-mentioned oilfield regions in the Caucasus, particularly to the heavy industries in the Donets district (Ukraine). *Only the future will show to what extent it will prove possible to maintain in full these industries, and in particular the Ukrainian manufacturing industries, after the withdrawal of the food surpluses required by Germany.*

The following consequences result from this situation, which has received the approval of the highest authorities, since it is in accord with the political tendencies (preservation of the "small" Russians, preservation of the Caucasus, of the Baltic provinces, of White Russia to the prejudice of the Great Russians):

I. *For the forest belt*

a. Production in the forest belt (the food-deficit area) will become "naturalized," similar to the events during the World War and the Communistic tendencies of the war, etc., viz: agriculture in that territory will begin to become a mere "home production." The result will be that the planting of products destined for the market such as, in particular, flax and hemp, will be discontinued, and the area used therefor will be taken over for products for the producer (grain, potatoes, etc.) Moreover, discontinuance of fodder for that area will lead to the collapse of the dairy production and of pig-producing in that territory.

b. Germany is not interested in the maintenance of the productive power of these territories, except for supplying the troops stationed there. The population, as in the old days, will utilize arable land for growing its own food. It is useless to expect grain or other surpluses to be produced. Only after many years can these extensive regions be intensified to an extent that they might produce genuine surpluses. The population of these areas, in particular the urban population, will have to face most serious distress from famine. It will be necessary to divert the population into the Siberian spaces. Since rail transport is out of the question, this too, will be an extremely difficult problem.

c. In this situation, Germany will only draw substantial advantages by quick, non-recurrent seizure, i. e. it will be vitally necessary to make the entire flax harvest available for German needs, not only the fibers but also the oleaginous seed.

It will also be necessary to utilize for German purposes the livestock which has no fodder base of its own, i. e. it will be necessary *to seize livestock holdings* immediately, and to make them available to the troops not only for the moment, but in the long run, and also for exportation to Germany. Since fodder supplies will be cut off, pig and cattle holdings in these areas will of necessity drastically decline in the near future. If they are not seized by the Germans at an early date, they will be slaughtered by the population for its own use, without Germany getting anything out of it.

* * * * * * *

It has been demanded by the Fuehrer that the reduction in the meat ration should be made good by the fall. This can only be achieved by the most drastic seizures of Russian livestock holdings, particularly in areas which are in a favorable transport situation in relation to Germany * * *

In respect of flax cultivation, too, the German economy will be interested in these territories. On the other hand, if at all possible, it must be attempted to treat these territories leniently, for political reasons: the conflict between White Russians and Lithuanians on one hand against Great Russians on the other. Only the future will show to what extent this is possible.

3. *The problem of fisheries*

The fisheries in the North constitute a special problem. Germany's aim must be to seize the approximately 100 steam fishing vessels in Murmansk, Kola, etc., in order to utilize them for German benefit in fishing operations based on Norway * * * Thus, there is no question of a development of Russian fisheries, but what is needed is conquest of the Russian fishing fleet.

A destruction of the Russian manufacturing industries in the forest zone is also an indispensable necessity for Germany's more remote peace-time future. Even in Tsarist Russia, the high prices of consumer goods were a device, in addition to taxes, for increasing the grain surpluses of the producing zone. Peasants in this zone were compelled to sell all their produce, except for a subsistence minimum, in order to pay their taxes and buy the consumer goods which they needed. *In future, Southern Russia must turn its face towards Europe. Its food surpluses, however, will only be paid for if it purchases its industrial consumer goods from Germany, or Europe. Russian competition from the forest* *zone must therefore be abolished.* It follows from all that has been said that the German administration in these territories may well attempt to mitigate the consequences of the famine which undoubtedly will take place, and to accelerate the return to primitive agricultural conditions. An attempt might be made to intensify cultivation in these areas by expanding the acreage under potatoes or other important food crops giving a high yield. However, these measures will not avert famine. Many tens of millions of people in this area will become redundant and will either die or have to emigrate to Siberia. *Any attempt to save the population there from death by starvation by importing surpluses from the black soil zone would be at the expense of supplies to Europe. It would reduce Germany's staying power in the war, and would undermine Germany's and Europe's power to resist the blockade. This must be clearly and absolutely understood.* The manufacturing industries in Belgium and France are much more important for Germany and the German war effort than those in Russia. It is therefore much more essential to safeguard food supplies to those countries through surpluses from the East than to make an ambitious attempt to preserve Russian industry in the food-consuming zone. One must always bear in mind that the Great Russian people, whether under Tsarism or Bolshevism, is always an irreconcilable enemy not only of Germany, but also of Europe. From this it also follows that there can be no question of introducing marketing regulations or food rationing in these territories. Rationing would establish a claim against the German administration on the part of the population, and such a claim must be rejected beforehand.

* * * * * * *

For the rest, it can be pointed out that even given the best intentions on the part of the German administration to supply the forest zone with the surpluses of the South, such supplies would fail on account of transport conditions alone. The Russian rail network is weak in itself, and will be taxed to capacity by the tasks of supplying the Army and the necessity of exports to Europe.

II. *For the black soil belt*

* * * * * * *

2. *The battle for increased production, and the seizure of surpluses, presupposes a retention of large-scale farming units* (collective and Soviet farms). . . .In view of the Russians' mentality an increase in production is only possible by decree from above. . . . A splitting-up into several millions of individual peasant holdings would make any German influence on production com-

pletely illusory. *Every attempt to liquidate the large-scale units must therefore be fought with the most drastic means.*

* * * * * * *

I. *Supplies for the Army*

Germany's food situation in the third year of war demands it imperatively that the Wehrmacht, in all its provisioning, must not live off Greater German territory or that of incorporated or friendly areas from which this territory receives imports. *This minimum aim, the provisioning of the Wehrmacht from enemy territory in the third year, and if necessary in later years, must be attained at any price.* This means that one-third of the Wehrmacht must be fully provisioned by French deliveries to the army of occupation. The remaining two-thirds (and even slightly more in view of the present size of the Wehrmacht) must without exception be provisioned from the Eastern space. This leads to the following particulars:—

1. *Bread Cereals.* The requirements of the Wehrmacht as to bread cereals amount annually to about 1 and a half million tons. France supplies 470,000 tons yearly in accordance with the Hague Convention for Land Warfare and the Armistice Treaty. France will have to continue to make such shipments also in the third year. The East will, in future, have to make available under all circumstances about 1 million tons. In furnishing bread cereals to the Wehrmacht, consideration must also be given to the problem of supply of foodstuffs and beer.

2. *Oats.* The requirements of the army amount to about 1.8 million tons. France and other occupied territories in the West ship approximately 600,000 tons. Accordingly, 1.2 to 1.5 million tons would be the quota for the East.

3. *Meats.* The requirements of the Wehrmacht amount to about 600,000 tons annually. France, with Holland and Denmark delivered up to now 200,000 tons and will, in the third year of the war, ship 125,000 tons at the most. Accordingly, there remain about 475,000 tons of meats which the Eastern territories will have to supply, or figured in the exchange of value of grain, 2,400,000 tons of grain.

4. *Fats.* The requirements of the army amount annually to about 100,000 tons. France has been up to now unable to supply fats and will in the future also be unable to do so. The entire 100,000 tons will have to be shipped by the Eastern territories.

5. Besides, the Eastern territories will have to supply the proportionate requirements of the Wehrmacht as to *hay* and *straw* respectively; furthermore, they will have to furnish the require-

ments as to fruit, vegetables, canned fish, sugar, prepared foodstuffs and legumes.

From this it follows that about 1 million tons of bread cereals, 1.2 million tons of fodder cereals, 2.4 million tons of grain for meat production, or a total of from 4 and a half million to 5 million tons of grain will have to be supplied from the Eastern territories for the requirements of the army, in addition to the shipments of hay, straw, fats, eggs, etc. It is to be noted that hereby the transport situation for exports to Germany from the East and for supplies from Germany will be considerably relieved.

These quantities have by all means to be furnished for the army in the Eastern territories. They will be increased by these amounts by which the French quotas might possibly be reduced.

It cannot be anticipated today what troop transfers will take place during the third year of war (possibly also demobilization of a considerable number of soldiers). Furthermore, it should not be overlooked that a part of the army, such as for instance, the "Flak" (anti-aircraft batteries), the personnel in training, especially the youngest training age class, etc., will also in the future be permanently stationed in Germany. For all these reasons, the estimated size of the Wehrmacht in the East may be considerably reduced during the third year of war, which would lead to an increase in the number of consumers in Germany herself. Also, in this case, the quantities made available for the estimated 2/3 of the entire Wehrmacht will have to be supplied under any circumstances from the Eastern territories. Obviously the transport situation will hereby be considerably burdened.

II. *Supplies for the German civilian population.*

1. Only after meeting these requirements of the army which, under any circumstances, will have to be made available from the Eastern territories, can *shipments to Germany to cover civilian needs* begin. In this matter, any dissipation of energy on side issues must, under any circumstances, be abstained from. *First and foremost is the transport to Germany of oil seeds*—particularly of sunflower seeds, but also of flax seed, cotton seed, soya beans—in order to increase the stocks of fats. For, from the fat stocks in the third year of war there will be a lack of about 150,000 tons of oil which Japan and Manchukuo up to now shipped through Russia. Furthermore, the remaining oil seed reserves that are still on hand will be used up in the third year of the war economy. For these reasons, it will be necessary to procure from the East from 400,000 to 500,000 tons of oil which

must be considered equivalent to about 1 and a half million tons of oil seeds. This transport problem must under all circumstances be solved, and in doing so the fact that in the Eastern territories the oil seeds are being pressed to oil will not lead to an alleviation of the situation for the reason that greater Germany can likewise not do without the resulting oil cake. It will be a question of expediency as to whether oil seeds or oil and oil cake should be shipped. The final result must be the delivery of about *400,000 tons of oil and 1 million tons of oil cake.*

2. Only after the transport of these oil seeds is accomplished, may an *export of grain* be effected, which of course, is extremely desirable, because greater Germany must at an increasing rate supply the occupied territories and must also herself replenish her reserves after the bad harvest in 1940 and after this year's harvest which, at best, must be expected to be an average one. In any case, the grain surpluses of the newly-annexed border territories and also of regions situated favorably in respect of transportation, must be exported to Germany in order to obtain *soon* the quantities which the Russians anyway would have supplied voluntarily. In any case, however, if transportation is not possible, all grain surpluses that exist in the Eastern territories above the quota for army requirements, must be secured so that these stocks can be transferred to Germany during the coming year.

3. As the shortening of rations in Germany has already now shown, the weakest point in the German food situation is the *meat supply.* The relief resulting from the fact that 2/3 of the army is procuring its meat from the Eastern territories, is not sufficient to make good in the fall the cut that was made in meat rations, because Germany's fodder supply situation makes it absolutely necessary to reduce further the stocks of pigs. Therefore, it will be necessary *to place quantities of meat, also, from the Eastern territories at the disposal of the Reich.*

While, however, *the supply to the army must come from all territories in the East* (according to the troop contingents stationed in the individual territories), and while *the export of oil seeds and grain will for the most part originate in the black soil zone,* the procurement of *meat* for German purposes, even for the purposes of the current requirements of the Wehrmacht, must take place from the *forest belt* and, in that zone, especially from the White Russian region and the central industrial areas in the vicinity of Moscow.

One has to be entirely clear regarding the following situation: The stocks of cattle in the whole of Russia amount to about 63 million compared with 22 million in greater Germany, the stocks of pigs amount to 30 million compared with *24 million* in Germany at the present time. The cattle stocks are more concentrated in the natural pasture-lands; these are the regions north of Moscow, excluding the Baltic provinces, up to Siberia and the Steppe regions in the south-east. The pork larders are situated in the north-west wooded regions as far as Moscow. These territories in the future will, in any case, have to reduce their stocks of cattle very considerably, especially their pig inventories, on account of the interruption in grain deliveries from the black soil zone. In such a situation, the danger exists that if our authorities do not seize the stocks of cattle immediately, in order to supply the army on the one hand and the homeland on the other, the livestock might be slaughtered within a very short time for the purposes of the local population and would therefore no longer be available for German purposes.

What matters, therefore, is not only to prepare making available stocks of cattle for 1 year for 2/3 of the Wehrmacht and to ship to the Baltic Sea ports livestock, especially from the north-west and the central regions, in order to utilize it for German civilian requirements by way of the border slaughter house in the North of Germany, but *the decisive point is to assure, as far as possible, meat stocks for the future as well. The problem of preserving meat therefore will be of utmost importance, especially in the northern regions. Everything in tin-plate that is obtainable or can be made in Russia must, therefore, be withdrawn from all other canning purposes and serve in the manufacture of canned meat, which can be stored over a longer period of time only in tin-plate cans.* Possible exceptions to this rule, perhaps in the case of canned fish, will only be ordered later as far as it should be necessary. Another important point is to use as well all other methods of preserving food (pickling, freezing and smoking of food). It is necessary for this important purpose to make use of all meat packing houses that are located in these regions. The importance and urgency of this task will have to be pointed out again and again. The interruption in the fodder supply will make it impossible to get hold of the cattle later on.

* * * * * * *

IV. *Collection:* The solution of these problems requires, apart from the maintenance of production in the surplus area, a smooth functioning of collection. For this reason alone the collective farming structure must not be touched, since collection is the easier the bigger each individual farming unit. In conducting collection in the reconstruction areas, i.e. in the surplus-producing districts, the food supplies of the producing peasants and farm laborers will have to be considered, in order to insure maintenance and increase of production in future years. Such considerations will not always be possible, or necessary, in the food-consuming areas of the forest zone, except for the special treatment to be accorded the Baltic and, if possible, the White Russian territories. Apart from collecting provisions and supplies for the Wehrmacht, the important thing in the food-consuming areas will be to seize the largest possible portion of the oil seed harvest and to collect the largest possible quantities of grain in order to insure export to Germany. The seizure of livestock which will be needed has already been discussed. In order to obtain barter goods for the peasants in the surplus producing zone, sugar crops will be seized without exception. The same goes for tobacco, alcohol, hides, leather, and fiber crops for the manufacture of textiles, as well as for industrial consumer goods, such as coal, kerosene, etc.

* * * * * * *

In conclusion, the principles must be pointed out once more: under the Bolshevik system Russia has, purely out of power motives, withdrawn from Europe and thus upset the European equilibrium based on division of labor. Our task is to re-integrate Russia with the European division of labor, and it involves, of necessity, the destruction of the existing economic equilibrium within the Soviet Union. *Thus, it is not important, under any circumstances, to preserve what has existed, but what matters is a deliberate turning away from the existing situation and introducing Russian food resources into the European framework.* This will inevitably result in an extinction of industry as well as of a large part of the people in what so far have been the food-deficit areas.

It is impossible to state an alternate in sufficiently hard and severe terms.

* * * * * * *

Our problem is not to replace intensive food production in Europe through the incorporation of new space in the East, but to replace imports from overseas by imports from the East. The task is two-fold:—

1. We must use the Eastern spaces for overcoming the food shortage during and after the war. This means that we must not be afraid of drawing upon the capital substance of the East.

Such an intervention is much more acceptable from the European standpoint than drawing upon the capital substance of Europe's agriculture. * * *

2. For the future new order the food-producing areas in the East must be turned into a permanent and substantial complementary source of food for Europe, through intensified cultivation and resulting higher yields.

The first-named task must be accomplished at any price, even through the most ruthless cutting down of Russian domestic consumption, which will require discrimination between the consuming and producing zones.

The second task, however, presupposes adequate feeding of the working people, since no production increase is possible without adequate feeding of the men who have to accomplish it.

PARTIAL TRANSLATION OF DOCUMENT EC–128

REPORT ON THE STATE OF WORK OF PREPARATION FOR WAR-ECONOMIC MOBILIZATION AS OF 30 SEPTEMBER 1934

Berlin, 30 Sept. 1934

The Reichs economic ministry has been charged with the economic preparation for war, a task considered important in view of lessons of the first World War.

The situation is so much worse now, that the loss of important areas in the East and West has to be reckoned with.

The economic ministry is charged with all industry except actual armaments, for whom the raw materials and half-products are supplied however. Close liaison is being maintained with all other economic agencies.

The work can be divided into two parts. The theoretical part includes the legal and organizational preparation, such as laws, directives. Practical preparation includes building up of stockpiles, new construction of facilities to produce scarce goods, redeployment of industry to secure areas and influence over fiscal and trade policies.

Preparations had to be made for two contingencies, the sudden outbreak of war in the immediate future and a future goal of active mobilization. The first goal was to be reached with mostly negative measures (restrictions) the second one needs active measures and directive.

The task of stockpiling is being hampered by the lack of foreign currency. The need for secrecy and camouflage also is a retarding influence.

The organization consists of 5, later 6 committees under presidium of the respective economic ministry officials and keeps in close touch with the armed forces, the ministry of food and agriculture, and ministry of work and the communications ministry. Later this was more centralized under "Committee for defense against economic war measures." The six committees are:

1. Hauptausschuss: General direction of work and organizational basis.
2. Rohstoffausschuss: Supply of raw materials except coal and motor fuel.
3. Kraftausschuss: Coal, gas, electricity, motor fuels, power.
4. Fertigwarenausschuss: Finished products with exception of armaments, price regulations, manpower.
5. Technischer Ausschuss: Technical questions, machines, and standardization.
6. Aussenhandelsausschuss: War economic organization of foreign trade.

The current tasks

The Hauptausschuss coordinates and synchronizes the activities of all economic agencies, keeping liaison with the armed forces. It has obtained action on urgent measures in cases of international crisis.

The Rohstoffausschuss conducted a survey on needs and sources of supply of raw material, the amounts needed by each branch of economy and of commercial stockpiles. Action was initiated to remedy shortages and to redeploy industry towards the center of Germany.

The main work of the Kraftausschuss was the supply of motor fuels. Measures such as storing up reserves and encouragement of synthetic production were taken. Under the assumption that the coal areas in East and West would be lost, stocks of coal were placed in the center of Germany. Cross connection between electric power systems was prepared.

The work of the Fertigwarenausschuss was hampered by the fact that no statistics existed on the demand. An extension survey was therefore conducted, establishing the production, manpower used, materials unused, reserves of industry as well as the demands of public agencies (armed forces, R.R., mail service etc.) and incorporated into a card index system. This survey is to be repeated 2 years. Measures were initiated to increase production in central Germany. A rationing system was prepared for the case of war as well as a price central organization.

The work of the Technische Ausschuss was limited by the fact that technical problems are much more abundant in the production of war material, which comes under the War ministry, than in civilian production. Therefore the problem was to organize civilian supply under the consideration that most plants would be working for the armed forces. Influence was exerted towards the standardization of consumers goods, especially with the large organizations, such as public utilities and R.R. The conversion to bituminous coal was also prepared. The legal preparations included drafts of laws for the seizure and redistribution of means of production on the export and import of machine tools.

The work of the Aussenhandelsausschuss was started last, as it required statistics from the work of the other committees as basis. It made proposals for the organization of foreign trade in wartime, export and import central statistics on import-export and a survey on the physical equipment for foreign trade (harbours etc.) Studies of the possibilities of barter trade with supposedly neutral countries in case of war.

Fiscal and Monetary Preparations

Measures were prepared to increase the amount of money in circulation in wartime while keeping the currency stable at the same time. (RKK)

Basic Principles of the Proposed Plan

The aim of the directives proposed is the establishment of strict economy. The uncertainty of conditions under which a future war may be fought, together with the lack of raw materials and foreign currency requires that right now. Therefore strict control of all economic activity is required, with special attention paid to the use of scarce materials (rationing, priority system).

Part B

Directives and Laws Proposed

1. Establishment of 14 economic supervisory boards to control production [Bezirkswirtschaftsaemter] in designated areas.
2. Establishment of control boards for 17 branches of production (strategic).
3. Law covering procedure on orders for the armed forces.
4. Law on rationing of civilian consumption.
5. Law on the protection (licensing) of trade.
6. Law on the establishment of a commissariat of foreign trade.

7. Prohibition of export of goods important in wartime.
8. Directive on facilitation of certain imports. (Strategic materials duty free.)
9. Directive on the prohibition of unnecessary goods.
10. Directive on the establishment of foreign trade companies for 7 specified branches of economy.
11. Law on the establishment of the RKK and its functions.
12. Law changing certain parts of banking laws. (Redemption of loans, notes by the Reichsbank.)
13. Directives on the distribution of coal.
14. Directives on the distribution of minerals and soils.
15. Directive on the distribution of steel and iron.
16. Directive on the distribution of non-ferrous metals.
17. Directive on the seizure and use of means of production.
18. Directive on the distribution of chemical products.
19. Directive on the distribution of animal and vegetable oils for technical use.
20. Directive on the distribution of wool.
21. Directive on the distribution of cotton.
22. Directive on the distribution of cellulose fibers.
23. Directive on the distribution of synthetic textiles.
24. Directive on the distribution of paper.
25. Directive on the distribution of leather.
26. Directive on the distribution of rubber and asbestos.

TRANSLATION OF DOCUMENT EC–137

SECRET

W F A
Abt.L(IVa) F.H.Q., 9.8.40
2101/40 secret
Subject: Delegate for the Four Year Plan
Re: German Influence with Foreign Enterprises.
To: Wi Rue Office

WFA/Department L supposes that the further work in this matter on the part of OKW will be done by Wi Rue Office. WFA only points out that:

a. Denmark, Poland, and France are not mentioned and
b. the Armistice Commission has to be informed.

By order
[signature illegible]

SECRET

Reich Marshall of the Greater German Reich
Delegate for the Four Year Plan

Berlin W 8,
Leipzigerstr. 3 2. August 1940

One of the goals of the German economic policy is the increase of the German influence with foreign enterprises. It cannot be seen yet if and in which way the Peace Treaty will deal with the transfer of participations and so on, but it is necessary already now that any opportunity is used to make it possible for the German Economy to start the penetration even during the war of the interesting objects of the economy of the occupied countries and to prevent any measures which could make it harder to reach the above mentioned goal. In this respect I would like to point out:

1. The capital transfer from Germany to the occupied countries will be facilitated in such a way that already now directed purchases of economic enterprises in the occupied countries will be made possible by German circles. I will inform you in the near future about further details; especially I reserve for myself the granting of permissions for the purchasing of enterprises, participations, etc., situated in occupied countries. The directives that will be issued by me shall form the framework for these activities.

2. I suppose that the foreign exchange restrictions issued in the occupied countries will be an effective blockade for the transfer of titles of foreign economic enterprises to third foreign countries (these will be in the main the United States of America and Switzerland). I request that the foreign exchange laws shall be worked over and, if necessary, amended in order to make it possible to handle the German right of permission in the above mentioned way.

3. It appears further useful to take care that title of economic enterprises which are located within one of the occupied countries will only be sold to German interests and in no case to citizens of another occupied country or a third foreign country. I request to force through the necessary legal regulations.

4. In view of the situation such measures will not be sufficient to reserve the important enterprises for ourselves because many times the participations or the titles were sold before the entrance of German troops and the actual transfer to foreign countries effected. It is desirable that such past transfers of titles of home or foreign companies shall be made illegal retroactive or it

should be possible to issue a directive to make the legal situation for the purchaser of such securities so insecure that the deal loses any interest for the buyer. I therefore ask you to examine how far our object will be reached by issuing a decree which makes the sale of such rights of home or foreign enterprises retroactive dependent on permission. I suggest to determine as effective date the beginning of hostilities between the respective country and the German Reich.

In this respect I like to point out that the foreign office already has let it be known to the governments of the Balkan Countries that we do not acknowledge as legal all transfers of rights on Balkan enterprises in Norwegian, Netherlands, Belgian, English, or French possession effected after beginning of hostilities. The Balkan Governments have been requested to change their own laws accordingly. That means to make the transfer of partnerships on home enterprises or of native enterprises by foreign owners dependent on the permission of the respective Balkan Governments.

The point that in the occupied countries the permission for transfers has been made retroactive will be a useful argument in later negotiations even if the legality of such a permission should be doubted in certain countries because of it having been issued after the transfer took place. At least it will be possible to gain time in this way which will give an opportunity for negotiations.

I ask for a report about the result of your examination to this question.

Signed
Goering

a. Reichscommissar for the Occupied Netherlands Territories.
b. Reichscommissar for the Occupied Norwegian Territories.
c. Military Commander Belgium

I am sending copy for your information. I request to inform the Armistice Commission.

Signed
Goering
[Stamp] Certified
[signature]
Government Secretary

The Foreign Office C.O. Ministerial Director Wiehl
Reich Minister for Economics, C.O. Minister Dirigent Dr. Schlotterer
Supreme Command of the Army, C.O. Warlimont
Supreme Command of the Armed Forces, Lt. Gen. Thomas

MILITARY ADMINISTRATION—ECONOMY
[Militaerverwaltung—Wirtschaft]
Pages 50–74

Decree regarding the Government Control of Industrial Goods (Government Control Decree) of 1940

By virtue of the authorization given me by the Fuehrer and the Supreme Commander of all Armed Forces, I decree as follows:

Par. 1

1. In the occupied * * * territories Government Control of certain commodities (coal, iron and steel, mineral oils etc.) will be introduced.

2. The Army Groups decide on the commodities.

Par. 2

The Army Groups regulate the Government Control. The Army Groups can transfer the control of commodities to Commodity Offices. Local authorities, Corporations, or other Departments can be appointed as Commodity Offices.

Par. 3

The Commodity Offices have the task of regulating production within the framework of the instructions given by the Army Group, by means of general rules of separate decrees to the undertakings producing, dealing in or utilizing the controlled goods, as well as providing for just distribution and reasonable utilization, with the greatest possible security of the places of work.

Par. 4

1. The Army Groups and the Commodity Offices can, within the framework of the instructions issued to them, make decisions regarding procuring, distribution, storage, sale, utilization, and notification. In particular they can:

a. Control the selling of goods to certain customers or obtaining them from certain suppliers by managements.

b. Forbid or require the manufacture of raw materials or semi-manufactured goods into certain semi or finished manufactured goods.

c. Make the sale or the purchase of goods in general or in detail dependent on their consent.

2. General regulations of the Commodity Offices require the assent of the Army Group.

3. The managements concerned can protest to the Army Groups against the regulations of the individual Commodity Offices. The protest has no delaying effect.

4. The Army Groups can transfer single powers (as noted in section 1) to other Offices, if this should be necessary for the direction of production.

Par. 5

The Commodity Office has the rights and duties of a juristic person.

Par. 6

The Army Group appoints the manager of the Commodity Office and regulates his legal conditions and emoluments.

Par. 7

1. The manager of the Commodity Office can convoke an Advisory Council for current consultation regarding important questions.

2. The composition of the Advisory Council requires the assent to the Army Group.

Par. 8

1. The Commodity Office can levy taxes in accordance with a Taxation Order. The Taxation Order requires the assent of the Army Group.

2. The Army Group regulates the utilization of the balance of receipts over expenditure.

Par. 9

1. The Manager, the employees and advisers, as well as the members of the Advisory Councils of the Commodity Offices, are pledged by handshake to fulfill their obligations in a conscientious manner, and also the Chief of the Army Groups, employees, advisers, and members of the Advisory Council of the manager of the Commodity Office.

2. The persons under engagement under section I. have, with the exception of service reports, to preserve secrecy regarding facts which have not been made public and which have come to their knowledge through their duties in the Commodity Office.

Par. 10

Those will be punished with prison and fine or by one of these punishments, who—

1. Intentionally or through negligence contravene an order, which has been promulgated by reason of this Decree, or its regulations, regarding execution or supplementary regulations.

2. Make or utilize incorrect or incomplete statements of fact, in order to gain in an underhand way permission, consent, binding acceptance or other certificate, which has been given by rea-

son of this decree, its execution or supplementary regulations, or by reason of a regulation of a Commodity Office.

3. Violate the obligations of secrecy as per Par. 9, Section 2.

Par. 11

1. No compensation is granted for damage arising from the application of this decree.

2. The Army Groups can promulgate regulations for the execution and supplementing of this decree.

3. The Decree comes into force on its publication.

The Commander-in-Chief of the Army.

Directive for Industrial Economy Survey

I. The Task.

A. The aspect.

B. The tasks.

    AA. Immediate tasks.

    BB. Further tasks.

C. Definition.

II. The types of measures to be taken.

A. Immediate measures.

B. Further measures.

III. The Organization.

IV. The carrying out of the measures.

I. The Task

A. The aspect. The conditions in Industrial Economy are governed by *lack of raw materials.* In sufficient supply are only pit coal (not, however, in all requisite kinds) and rocks and clays (Glass industry). The deficiency differs in other industrial raw material and semi-manufactured goods. It will become particularly urgent in the *goods in short supply,* as given in Appendix 1, to a lesser degree in the goods to be economized in [Spargueter] in the Appendix to the Sequestration Decree. In all cases the most *economical utilization* and *strictest management* is ordered, and that as much in the interest of the territories themselves as with regard to the home front and the transport conditions, which make supplements from the Reich or from neutral countries more difficult among a collection of works on this subject the following are available:

A. War Economy * * * (published by the OKW).

B. The structure of the War Economy * * * (published by the Department for Economic planning).

C. Military Survey for * * *

B. The Tasks.

AA. Immediate tasks.

1. Economic control is to be put into operation to the greatest possible extent, with the exception of the limitations under Figure 2).

2. Goods in short supply and goods, to be economized in, particularly raw materials, are to be investigated and to be protected (custody of larger supplies, limitation of utilization).

3. The existing local administrative and self administrative Offices are to be investigated, their suitability for co-operation examined, and through them or by other means is information to be given to the administration regarding the principles of our economy and its execution and the most important legal decisions.

4. Preparations for the organization of the Government control of industrial goods are to be made.

BB. Further tasks.

1. The production of *indigenous raw materials* is to be developed by all possible means.

2. *Production and further manufacture* on the basis of other indigenous or easily obtainable raw materials are to be developed for the purpose of providing work.

3. Industrial goods are, on the basis of the Decree regarding the *Governmental Control of Industrial Goods,* so to be controlled that—

a. Raw materials and semi-manufactured goods are to be suitably apportioned.

b. Raw materials and semi-manufactured goods for essential production will only be utilized for the manufacture of specified goods.

c. Factories are to be protected as long as possible (extension).

4. Goods in short supply are to be obtained according to regulations and to be transferred to the homeland in so far as this is in accordance with general directives and the supplementary orders issued.

C. Definition.

Goods to be economized in are those raw materials in short supply, semi-manufactured and other goods which are designated in the appendix to the Decree regarding Sequestration. The owner can only dispose of goods to be economized in, i.e. manufacture or sell them, in so far as it is permitted by the Sequestration Decree and possible supplementary decrees, in general or by means of individual permits of the Army Groups.

Goods in short supply are the particularly scanty goods of military importance, which are designated in Appendix 1) to these directives. For these the quota for manufacture is placed lower, if need be at zero (compare IV 13 of the directives); they are to be notified urgently and to be placed in security (II A 3 and IV 3); *only goods in short supply are considered for the present for return to the homeland.*

Mobilization includes the notification, stock-taking, and additional safe-guarding of goods to be economized by protection and watching. For return to the territory of the Reich-subject to special orders—besides mobilization, acquisition in accordance with regulations is necessary.

II. Type of Measures

A. Immediate Measures

1. *Influence on the direction of industry,* handicrafts, wholesale and retail trade with the object of *inaugurating production* forthwith and *opening Sales Departments.*

2. *Notification of the principles of economic direction* to domestic economy.

3. *Preliminary notification* of the goods to be economized in, particularly of goods in short supply, and the military safe-guarding of big supplies.

4. *Sequestration Order.* This is only to prevent the undesirable displacement of valuable raw materials and semi-manufactured goods. It can effect neither a physical distraint (seizure) nor the transfer of the goods to the property of the Armed Forces (conveyance). Possible supplementary physical distraint will be effected by the Command Posts by protecting and guarding; possible necessary transfers will be effected by the Army Groups or the departments authorized by them, either on the basis of the government Control of Commodities Decree for industrial goods (by compulsory transactions [Kontrahierungszwang] as per par. 4 of the Government Control of Commodities Decree) or on the basis of the State authority [Rechtsetzungsbefugnis] of the Army Group. For details see Section IV.

With the start of the actual government control of goods (after about 4 weeks) general sequestration on the basis of the Sequestration Decree will in practice become devoid of application. The Army Groups and the Commodity departments organized by them can then direct the goods traffic in the interior of the country in the desired direction on the basis of the Government Control of Commodities Decree. After this period the regulation of the Sequestration Decree regarding notification of supplies (par. 4) and informatory obligations (par. 5) will become effective.

B. Further Measures.

1. *Government Control of Industrial Goods.* This is effected departmentally according to the location of the goods. The basis is the *Decree for the Government Control of Industrial Goods.* The *object* of government control is to insure that controlled goods, particularly raw materials and semi-manufactured goods, are correctly distributed from the point of view of military economy, used sparingly and if need be replaced by other goods, and that production can be reversed according to the demands of the particular circumstances. The *measures* for this are general regulations and individual enactments to the undertakings of all kinds regarding the supply, the distribution, the storage, the disposal, and the utilization of goods (par. 4). Together with these extensive powers the following measures can, inter alia, be taken:

a. Total prohibition of production in certain branches of industry or undertakings (shutting-down).

b. Total prevention of the utilization of certain raw materials, semi-manufactured goods, or completed goods (total utilization prohibition).

c. Partial limitation of the making up of certain raw materials, semi-manufactured goods or completed goods (limitation of utilization).

d. Production of certain desired goods in branches of industry or in individual undertakings (in order to transpose production).

e. Transfer of raw materials and semi-manufactured goods from industry to industry (equalization of supplies).

f. Alteration of the conditions concerning suppliers compelling them to buy from certain contractors or to deliver to certain customers (to avoid uneconomic transport or superfluous intermediate trade).

g. Employment of definite reasonable methods of production or methods which will save raw materials.

2. *Mobilization of goods to be economized in.*

a. Exact stock-taking of the goods in short supply as per Appendix 1, as well as the other goods to be economized in as per the Appendix to the present notification.

b. Protection or military custody of important supplies of goods to be economized in, for the strengthening of the security measures already legally effected by the Sequestration Decree.

c. Preparation for the return of goods in short supply to the homeland.

III. Organization

1. The direction of industrial economy is in the hands of the Army Groups. The Army Group is authorized by the Sequestration Decree and the Government Control of Commodities Decree. To this belongs the authorization to make arrangements regarding sequestrated goods, as well as to permit their manufacture over and above the measure established by the decree; further the authorization to regulate itself the government control or to organize Commodities Departments for its execution; furthermore the authorization to demand information. The Army Group can transfer its authority to other Service Departments. But in the case of such transfer and after organization of Commodities Offices, the Army Group retains the responsibility for the orderly and practical execution of the government control. It supervises Command Posts and Commodities Offices.

2. The extent of the tasks makes delegating necessary. The extent of this delegating is determined by the Army Group. Delegating can be arranged according to districts or technically. If according to districts, it is effected by the transfer of certain powers to the Command Posts, if technically by the organization of Commodities Offices and the transfer of powers thereto.

3. *The technical government control must be effected* in principle through the Army Groups or by the Commodities Offices organized or determined by them. Only by unified direction is it possible:

a. To plan comprehensively for the needs of the whole territory.

b. To assure as equally as possible the utilization of the production capacity in the various districts.

c. To avoid uneconomic postponement of conditions of production.

Only through unified direction can the necessary special knowledge be used to the best advantage in the separate commodity territories.

4. The *transfer to Commodity Offices* will be the rule. In that way the Army Groups will be relieved of a great many separate decisions. Furthermore the Commodity Offices will have greater liberty of action, as they can make arrangements regarding their

own legal status and their own domestic economy on the basis of their tax receipts. This can be of particular importance if it is necessary to let a Commodity Office buy and sell.

5. *Local authorities. Corporations or other Departments* can also be designated as Commodity Offices, the condition being that complete loyalty is guaranteed. For such a designation preference is to be given to local central government control offices already at hand or their branches in the occupied territories. Great attention is to be given to the supervision of such Commodity Offices. In many cases it is recommended that a competent expert Reichs German worker, if need be to be applied for from the OKH, be deputized as chief office adviser to the management of the Commodity Office.

6. The Army Group determines the extent of the *area of activity of the Commodity Offices.* This must cover at least the territory of a State, as far as it is occupied.

7. The Army Groups regulate the *limitation of competence between the individual Goods Offices.* This, if possible, is to be based on the competence regulation of the German Reich Offices [Reichstellen]. The government control of all trade fertilizers is to be comprised in the Commodity Office-chemistry.

8. *The requirements in experts and auxiliary workers in the* Commodity Offices will be determined principally by how far the local departments and Corporations can be interested in collaborating. In newly organized Commodity Offices the administration should be kept as small as possible. Extension is reserved. The necessary auxiliary workers are to be applied for in good time from the OKH, Gen Qu. (I W1). An administrative Department, to include questions of domestic economy, personnel, preparation of essential requirements and an expert for legal questions for the formulating of decrees, is to be provided for from the outset, as well as the required number of technical sections. Directives for this follow through OKH.

9. Suitable local persons are preferably to be nominated as members of the *advisory councils* of the Commodity Offices.

10. The Garrison Headquarters are available for the *district delegation.*

Economy units will be allocated to the Field Headquarters. Their duty in particular is the investigation, stock-taking, safeguarding and preparation for the return-conveyance of goods in short demand and goods to be economized in.

The Garrison Headquarters, without prejudice to their service subordination to the Army Groups, must comply with the request of the Commodity Offices for help in administration. Requests of local departments intended as Commodity Offices are to be conveyed through the Army Groups. Furthermore the Army Groups can institute immediate commercial intercourse between the Commodity Offices and the Garrison Headquarters.

11. In the sphere of the *armament industry* the transfer of duties to the Commodities Offices is not permissible. The organization of the armament industry remains rather the task of the Army Groups and the Garrison Headquarters.

In order to give the Garrison Headquarters the requisite authority, it is provided in par. 4, section 4 of the Government Control Decree, that the Army Groups can transfer certain powers as per par. 4, section 1 of this decree to the Garrison Headquarters. The Army Groups can accordingly transfer in particular the powers regarding the regulating of production in the armament industry to the Garrison Headquarters, in order that the latter may be able to carry out conversion of production for the purpose of armament economy.

In so far as Commodity Offices are established in individual goods territories, they must discontinue all encroachment on the organization of the domestic armament industry and the tasks of production allotted to it. The competence of the Commodity Offices to decide regarding the allocation of raw materials and export licenses remains unaffected hereby.

IV. The Execution of the Measures

1. With the object of the early setting up of domestic *economy*. the directors of large scale undertakings, as well as representatives of wholesale and retail trade, who should be nominated either by the local authorities or the Chambers of Commerce or by free unions, should be called together. They should be informed of the following:

a. The continuance of the principle of domestic economy is demanded by us.

b. Restrictions in order to economize raw materials are partly already arranged for, partly to be awaited.

c. The preparation of credits and the means for payment of wages will be provided for.

d. The undertakings can count on the sale of those kinds of goods which were previously intended for export to enemy countries, in view of the goods famine in the other territories.

e. The shutting down and restriction of the undertakings, in so far as they are not occasioned by the economizing of raw materials, are subject to authorization (reference to a decree to be issued simultaneously), and every offence against these decisions will occasion the replacement of the director of the undertaking by a trustee.

2. In the notification regarding the principles of economic *management,* an appeal to communal understanding and preparedness for mutual help (e.g. in compensation with raw materials, the utilization of means of transport of individual firms) are particularly to be included; further a summons to refrain from an unjustified holding back of goods, under threat of coercive measures, and further the principal features of the government control of goods and an appeal for the economical utilization of all raw materials.

3. The notification of *goods to be economized in* is effected by the Economy troops of the Field Headquarters. The notification is first to be concentrated on the goods in short supply in Appendix 1. As far as the notification of further goods as per the appendix to the Government Control Decree can be easily combined or forces are available for these further duties, these further goods are also to be notified.

In all cases the larger supply stocks are to be notified immediately.

Estimates from personal inspection are, as far as possible, to be supplemented by factory documents and declarations by factory employees.

Besides the supplies of raw materials, the stocks of manufacturing material (semi-finished) are to be included.

4. On the basis of the present decision the *reports* in triplicate are to be forwarded to the Army Groups, generally weekly, in special cases more often. In order to avoid duplicate reports, notification must be made in the following form:

Recently reported:	x t Copper	x t Tin etc.
Total up to now:	x t Copper	x t Tin etc.

The Army Groups send corresponding reports in triplicate to the OKH (Gen Qu I W1).

5. The Sequestration Decree accords solely legal security against undesired disposal of goods to be economized in. This security can be increased by

a. Guarding.

b. Appointment of sequestration sentries (protection) of the supplies.

These measures will be brought about and/or carried out by the Field Headquarters (Economy Troops. For protection, tables as per Appendix 2 to be used.)

Guarding and protecting or one of these measures are to be instituted for all stocks of goods in short supply, which exceed the minimum amounts given in the last column of Appendix 1, in so far as immediate transfer to militarily guarded dumps does not take place (see figure 8). In addition to this, all larger supplies of goods to be economized in are to be protected and guarded if decrease of the stocks by illicit theft from military or other posts are noted or are to be feared.

6. *Protecting and guarding* must not *hinder* the *manufacture* of raw materials in operation permitted by the stipulations of the Sequestration Decree. From the beginning, therefore, those goods must be exempt from protection which the undertaking is allowed to manufacture or work up without permit during the following month; the sentries must be removed in a corresponding degree at latest after a month.

7. The preliminary report is followed by the planned stock-taking of the goods in short supply of Appendix 1., and then of the remaining goods to be economized in. The stock-taking by means of lists is to be done in accordance with the printed form of Appendix 3. If occasion arises natives are to be employed in weighing and sorting. The conditions of ownership are to be clarified and established as far as possible from the very beginning.

8. Goods in short supply of Appendix 1 are to be transferred to *militarily guarded* dumps if their protection as per Figures 5–6 does not appear adequate. Before the transfer the owner or the person having right of disposal, in so far as he can be ascertained, is to be given a receipt in the usual form. The decision regarding transfer to the homeland (comp. Figure 11) is not hereby affected.

9. The question of *transfer* of raw materials etc. *to the homeland* only concerns goods in short supply of Appendix 1. The transfer of other raw materials etc. will be specially ordered by OKH.

10. The Field Headquarters *propose* to the Army Groups the possible transfer of goods in short supply to the homeland. In these proposals the goods are to be described accurately according to kind, quantity, storage, place and—if possible—previous owners.

11. Transfer to the homeland is only affected on written *order of the Army Group.* The order must describe the supplies according to kind, quantity, storage, place and—if possible—owners, as well as the recipient and the manner of acquisition (production certificate or cash payment).

Regarding a decision of return conveyance, it is to be taken into account that the manufacture of raw materials and semi-manufactured goods in occupied territory often means transport relief, and is comparatively safe from danger from the enemy. Return conveyance of raw materials and semi-manufactured goods must therefore be discontinued if the manufacture of goods of military importance and particularly of those of importance to the armament industry can be affected in occupied territory.

12. *Preliminary directives for return-transport* are subjoined in Appendix 4.

13. For *goods in short supply* of Appendix 1, the *manufacture and working up* is to be reduced to one-third of the manufacture and working up of the previous month, for seasonal industries reduction to that of the same month of the previous year, by means of decrees of the Army Group on the basis of par. 3, section 2 of the Sequestration Decree. Reductions of less than 10% of the amount manufactured and worked up of the corresponding month are to be notified to OKH Gen Qu I Wi.

14. The *industries* within the framework of the mobilization of goods to be economized are to be supervised regarding the observance of the stipulations of the Sequestration Decree, particularly those concerning the limitation of manufacture. Possible violations are to be prevented immediately. Should uneconomic squandering of raw materials, not included in the limitations as previously directed, be noticed, then the Field Headquarters will make proposals to the Army Groups or to the Chief Field Headquarters [Oberfeldkommandaturen] or to the Goods Offices for the reduction of the quotas of manufactured or worked up goods or for supplementary limitation as to use or prohibitions.

15. The Chief importance of the work of the Commodity Office will lie at first in the *just distribution* of raw materials and in measures to increase the stocks. In the case of individual authorization the percentage rate for the permissible amount of the goods to be manufactured or worked up, varying from the general regulations of par. 3 of the Sequestration Decree, will be determined. To be particularly taken into account in this connection is the working capacity and the amount of orders, espec-

ially of export orders, the execution of which can be counted on, even after occupation.

16. Regarding total of utilization, prohibition, and limitation of utilization in a large proportion, the *Group Labour Department* is to be *advised* in such good time that provision for the released workers and if necessary new jobs can be prepared.

17. Directives for the remittance of general utilization prohibitions are reserved. Until their remittance utilization prohibitions will be dispensed with or granted by the Army Groups according to their judgment. (See also Figure 14.) Consultation with representatives of the Reich Offices is proposed. The Army Groups decide regarding the advice given them. They must take into consideration that the government control of commodities must serve the whole economy of the occupied territories and of the territory of the Reich, and that a subversive adaptation of the economy of the occupied territory to conditions in the Reich can lead to disturbances, if the industries cannot continue the final results of a development in the Reich of several years either for technical reasons, or because they cannot understand them on account of their complicated nature. Particular consideration must therefore be paid to the feasibility of carrying out the regulations.

Appendix 1

List of goods in short supply

Goods group	Goods in short supply	Smallest quantity to be mobilized and notified in each storage place
1. Iron	Tin-plate	10 tons.
2. Refining ores and metals	Molybdenum Wolfram including ores	1 ton.
	Ferrochrome	5 tons.
3. Non-iron metals	Tin Nickel Cobalt	1 ton.
	Alloys from the above-mentioned metals.	1 ton.
	Semi-manufactured material (rods, wire, metal sheets, tubes and stampings) of the above-mentioned metals and alloys of the same.	1 ton.

Goods group	Goods in short supply	Smallest quantity to be mobilized and notified in each storage place
	Ores and basic materials which contain the above-mentioned metals.	10 tons.
4. Precious metals.	Mercury	100 KG.
	Platinum	0,5 KG.
	Platinum by-products, such as Iridium, Rhodium, Paladium.	0,1 KG.
	Gold	0,5 KG.
	Pure silver, alloyed silver	10 KG.
5. Stones and clays	Industrial diamonds including board.	Any amount.
	Mica	Any amount.
	Rock-crystal and smelting quartz.	100 KG.
	Asbestos Spun asbestos Medium and short fibred asbestos, semi- and fully-fashioned asbestos goods.	1 ton.
	Brown stone above 80% MNO.	10 tons.
6. Industrial oils, fats and resins	Glycerine pure and crude	Closed casks of 100 KG. upwards.
	Castor oil Celephonium Oil of turpentine	1 ton each.
	Copal Shellac Photographic gelatin	100 KG.
7. Rubber and milk of rubber	Rubber sheets New lorry inner tubes Solid rubber tyres New lorry covers Raw rubber	10 tons each.
8. Raw textile materials	Sisal hemp Fine flax Manila hemp	Any amount.
9. Leather, skins, hides	Untanned skins and hides for preparation of leather; lamb skins for preparation of furs: Tanning extracts.	10 tons each.

Summary—"War Economy" trip to Godesberg undertaken by General Staff between 25 May and 2 June. (W.W. 23-1).

Welcome to General Staff's "War Economy Trip" to Godesberg in 1937. Contrary to the first trip last year which was limited to very few men, the following individuals will participate this year; members of war economy organization, representatives of the three branches of the Armed Forces, a considerable number of men representing the Plenipotentiary General and several men who join us in these measures for rearmament. Particularly welcome is President Schacht who promised to be present during the final conference on Saturday.

Previous trips of this nature were concerned mainly with visiting industrial organizations and making the acquaintance of their leading men. Last year's trip already went one step further as mobilization of organizations was discussed, as well as, in one instance, the solution of the difficult worker problem.

During fall of the past year a first experiment was made in starting on a small scale a war game in war economy. We gained considerable experience which was applied this year. This year's trip has two main aims; first, examination of cooperation within war economy organizations, coordination of the war economy staff with the branches of the Armed Forces, and the cooperation between the war economy staff and the G. B. under presumed conditions of war; second, inner organizational mobilization.

I talked with many soldiers and industrialists regarding the nature and execution of these trips, but most of them did not understand them.

We, too, do not know much about this kind of war game in war economy. We also consider it a dangerous experiment, but hope to be able to utilize, on a large scale, what we learn from it.

The circle participating in this war game is considerably larger and therefore prevented us from basing it on a situation exposing the actual German plan of operations. We had to construct a situation which provided a reasonable and practical foundation for one game on one hand but which, on the other hand, is constructed in a manner that the purpose of the game is completely fulfilled in regard to business. Please do not examine the game too critically regarding tactical and strategic moves, but remember that the main purpose of this trip is a possible solution of war economic problems.

I want to point out, however, that all material and all information received has to be kept in strict secrecy.

A second point. The first round of a war game cannot solve all problems, it can only bring it closer to their solution. Therefore, I shall not discuss basic problems and situations, but I shall take note of originating differences in order to have them clarified in Berlin later on. We based the situation—especially regarding Red—regarding organization on several assumptions which do correspond with the real German situation and which need further examination before they can be suggested for acceptance by the Armed Forces. I, therefore, ask you not to discuss these questions as, I repeat, we all want to gain experience from this kind of war game and want to become acquainted with the advantages and disadvantages of one or the other organization. It is possible to get acquainted only if one plays with them with the help of a practical example. The main purpose of the war game consists in pointing out to those present here how the actions of the soldiers in total war is influenced by economy and how on the other hand, economy is completely dependent on military operations. During war time there is no polarity: Armed Forces here, Economy there! It is important that they cooperate and we are attempting to find a successful method to effect this.

As the time provided for this war game is very limited we can only indicate arising questions and discuss in detail only very few subjects. Therefore, please limit your discussions. I shall only direct parts of the game; Lt. Col. Huenerman and Major Beutler will take over the lead of the remaining part of the game. I am doing this in order to keep at a certain distance from these things. I have to do this in order to gain and retain the full perspective and method of the game and to make future conclusions from gained experience.

Hopes to become better acquainted with everybody.

Part I of Speech welcoming Dr. Schacht.

Before I start with the discussion of the war game in war economy, I have to express how grateful we all are that you, President Dr. Schacht, have gone to the trouble to personally participate in our final discussion today despite all your other activities. This proves to us your deep interest in war economy tasks shown at all times and your presence here is renewed proof that you are willing to facilitate for us soldiers the difficult war-economic preparations and to strengthen the harmonious cooperation with your offices.

TRANSLATION OF DOCUMENT EC–177

TOP SECRET

The Reichswehr Minister

Berlin, 22 May 1933

T. A. Nr. 421/33 g. Kdos. T 2 III A:

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PROTOCOL

Of the 2nd Session of the Working Committee of the Delegates for Reich Defense.

Time: 26 April 1933
Start: 1000 hours
End : 1230 hours

Place: Large Conference Room in Reichswehr Ministry

Participants:

Reich Ministry:	
Dept. of the Field Army [Truppenamt]:	Chief Lt. Gen Adam
T 2	Chief Col. Keitel Capt. Schmundt Capt. Prueter
T 2 Administration	Min. Rat. Dr. Weber
T 1 IV	Major Gercke (ret)
Dept. of Air Raid Protection:	Capt. Speidel
Dept. of the Res. Tng. and Repl. Army (Wehrmacht):	
Chief of Staff	Lt. Col. Winzer
In 6 Chief of Staff	Lt. Col. Guderian
In 7 Chief of Staff	Lt. Col. Fellgiebel
Ordnance Dept. [Waffenamt]	Lt. Col. Stud
Wa Wi.	Major Warlimont
Administrative Dept.: [V3]	Min Rat. Reich
Ministry Office:	
W.	Col. von Vietinghoff Capt. Tschache
Security	Capt. Wahle
Delegates for Reich Defense from the Reich Ministries:	
Foreign Office:	Legation Secretary von Buelow
Interior:	Om. Reg. Rat. Erbe
Finance:	Gen. Finanzrat Wapenhensch
Economics:	Min. Rat. Godlewski Reg. Rat Dr. Barth
Labor:	Min. Rat Sieler
Postal:	Min. Rat Delvendahl
Traffic:	Min. Rat Koffka
Justice:	Min. Rat Koffka

Food and Agriculture:	Amtsgerichtsrat Bretschneidner
Air:	Capt. Belle (ret)
Prussian Ministry of the Interior:	Ob. Reg. Rat Diels

Minutes:

Lt. Gen. Adam: Welcoming of the delegates especially of the representative of the Air Ministry present for the first time.

Information about the decision of the Reich Cabinet of the 4 April 1933 to form a "Reich Defense Council".

Reference to:

a. *Change of the responsibility for the defense of the Reich.*
b. *The decision to make the activities of the delegates a full-time job,* and the necessity for this measure order to master the important and extensive tasks.

With a wish for trustful cooperation in the working committee of the RVR (Reich Defense Council) transfer of the presidency to Col. Keitel (Chief T 2).

Col. Keitel: After welcoming takes up business of the day.

Item 1

Thoughts about a Reich Defense Council

All great European powers which are at freedom to arm, have a RVR. One does not have to refer to history to prove the necessity of this institution. The war has shown conclusively that the cooperation with the various ministries has not been close enough. The consequences did not fail to materialize. The soldier is not in a position to have a say in all matters. The disadvantages of the past system were caused by parallel efforts of the various ministries in matters of the Reich defense. To avoid these mistakes a *central agency* has been created which occupies itself already in peacetime in the widest sense with the problems of Reich Defense. This working staff will continue its existence in time of war.

In accordance with the cabinet decision of the 4 April 1933 the Reich Defense Council, which until now had been prepared for war emergency, will go into immediate action.

In time of peace its task will be to decide about all measures for the preparation of the defense of the Reich, while surveying and utilizing all powers and means of the nation. To this effect a law placing every German and his personal property at the war service of the nation (Kriegsleistungsgesetz) is being prepared which will be submitted to the committee after its completion.

Composition of the Reich Defense Council:

President: Reichs Chancellor

Deputy: Reichswehr Minister

Permanent Members: Minister of the:

Reichswehr
Foreign Affairs
Interior
Finance
Economic Affairs
Public Enlightenment and Propaganda
Air
Chief of the Army Command Staff
Chief of the Navy Command Staff

Depending on the case: The remaining minister, other personalities, e.g., leading industrialists, etc.

In order to regulate the work it is necessary to determine who will do the drafting of the various tasks and in what manner. The Reich ministries will receive instructions in this regard from the Reichswehr Minister.

Item 2

Full-time Employment of the Delegates

Whether the full-time employment of delegates for the Reich Defense Council necessitates changes of personnel within the permanent committee will have to be decided by the ministries concerned. It is requested to settle this matter with the various ministries and to inform the Reichswehrminister which full-time delegate is slated for the working committee.

Ob. Reg. Rat Erbe (Interior): The solution of this question is rendered more difficult by the fact that each of the delegates has already a large field of work, to which he is deeply attached and which he will part with unwillingly.

Ob. Reg. Rat Diehls (Prussian Ministry of the Interior): Is of the same opinion. He himself is in addition, in charge of the Secret State Police. Remedy: Full time assistants.

Min Rat Godlewski (Economics): Recommends the solution of the Reich Ministry of Economics: The delegate keeps his own field of work with addition of the Reich Defense tasks, which are handled by a special official (at present Rat Dr. Barth) exclusively and as a full time job. This way a *higher* official retains the direction, without being overburdened with the work.

Lt. Gen. Adam: Agrees with the opinion of Min. Rat Godlewski and proposes a similar solution for the other Reich Ministries.

Amtsgerichtsrat Bretschneider (Food and Agriculture): Does not believe that the Ministry of Food and Agriculture will be able to send a special delegate in view of the general overload with work.

Col. Keitel: The amount of work of the Reich Ministry of Food and Agriculture will not decrease. Food supply, however, is of the utmost importance in case of mobilization, so that an intensive cooperation on the part of this ministry is absolutely essential.

Min. Rat Schmidt (Traffic): At the Traffice Ministry hardly any higher officials can be made available for this full time task. A good deal of the work in the realm of the Reich Defense could be done by the H.T.K.

Lt. Gen. Adam: The tasks will be distributed and it is a matter of the various ministries to take care of same. Best solution: *Higher official with full time assistants.*

Col. Keitel: Points out once more the urgency of the tasks, since it had been possible to do only very little in this connection during the last years. He asks the delegates to consider the Reich Defense at all times and represent it accordingly at the drafting of new laws. Experiences of the wars are available and are at the disposal of the various ministries: (e.g. Reich Archives, Memorandum of an administrative official about gasoline supply). All these sources must be taken advantage of for the future. The task of the full time delegates is also to bring about a close cooperation of the ministries with each other.

Min Rat Schmidt (Traffic): Requests a complete roster of the committee members.

Col. Keitel: Agrees to that, as soon as the ministries have named their full-time delegates.

Item 3

Nature of Work Plans

In the work plans the questions and ideas are laid down, which have come up in the Reichswehr Ministry and must be considered in case of mobilization. Up to the present time the support on the part of other ministries was frequently based only on personal helpfulness since any authority from above was lacking. The following work plans are finished:

a. Work Plan for the Reichs Ministry of Economics
   Work Plan for the Reichs Ministry of Food and Agriculture
   Work Plan for the Reichs Ministry of Labor

These three are composed in *one* work plan for the preparation of a war economy.

b. Work Plan for the Reich Postal Ministry

c. Work Plan for the Reich Traffic Ministry

Request the plans to be worked through carefully by the competent ministries. The plans will be discussed beginning of June, when proposals for improvements may be made. The other ministries which have no work plans yet will receive them later on. The office of air raid protection will work out a work plan in conjunction with the Reich Commissariat for aviation.

Min. Rat Godlewski (Ministry of Economics): 1. In case a completed plan for mobilization is to be created a preparation of requisition orders for the supply of raw materials, creating of war industries and getting in touch with personalities to be charged with these tasks in case of war, is necessary. All this means years of work.

2. What about the financial aspects of this work? Naturally, large sums will be required for it, with which the ministry concerned will be debited. To what extent can this be carried out in practice and to what extent will it remain only paper work once more?

Col. Keitel: Certainly, the working out of these plans requires a long time. The Reichswehr Ministry has worked for years on the principles of Reich Defense, too. The organization of a war economy always requires plenty of money and time. It is just the reason for and the purpose of the working committee of the Reich Defense Council to overcome these difficulties. Proposals and inquiries of the various Reich ministries must be made the subjects of sessions of the Reich Defense Council (Cabinet) by the working committee. It is to be decided there, which tasks have priorities over others and for which purposes means have to be available. Nevertheless, the financing of the various proposals remains a matter of the ministry concerned. The direct influence of the Reich Chancellor on these tasks represents, however, a great progress compared with past times. The various ministries have to submit yearly budget proposals, which are to be approved separately.

Min. Rat Delvendahl (Postal Ministry): Sees an acceleration of the tasks in a direct cooperation with the Wehrmacht experts. Which is the competent agency for that in the Reichswehr Ministry?

Col. Keitel: The Army Organization Department is competent only for the great guiding principles. Technical matters are to be settled with the special offices of the Reichswehr Ministry.

Inquiries regarding the specialists are to be addressed to the secretary of the Reich Defense Council, Capt. Schmundt.

Min. Rat Delvendahl (Postal Ministry): Who is competent in questions of general nature?

Col. Keitel: Can be decided only from case to case.

Item 4
Secretary and Secrecy

Question has been brought up by the Reich Ministries.

The secrecy of all Reich defense work has to be maintained very carefully. Communications with the outside by *messenger service* only, has been settled already with the Post Office, Finance Ministry, Prussian Ministry of the Interior and the Reichswehr Ministry. *Main Principle of security:* No document must be lost since otherwise, the enemy propaganda would make use of it. Matters communicated orally cannot be proven, they can be denied by us in Geneva. Therefore, the Reichswehrministry has worked out security directives for the Reich Ministries and the Prussian Ministry of the Interior.

Reading of the Security directives (Rn. M.T.A. Nr. 285/33 g.K. T 2 III A dated 19 April 33), by Capt Schmundt.

Col. Keitel: Under no circumstances communications by mail.

Min. Rat. Delvendahl (Postal Ministry): Secret but urgent letters can be mailed in locked leather cases wrapped in special envelope. He asks for a moderation of the dispatching directives.

Col. Keitel: The main thing is that the mail in the various ministries is opened by the *addressee* himself and not by the main office or another agency. It is of utmost importance that ways and means are provided to guarantee an absolutely safe transportation.

Min. Rat. Koffka (Ministry of Justice): It is most dangerous to mark the outside of the letters "Secret". Incidentally, up to the present time there is no real protection furnished in the Ministry of Justice. Only *one* steel safe is available.

Col. Keitel: The need for steel safes grows only slowly. The Reichwehr Ministry has spent a lot of money to obtain a sufficient number of steel safes for itself and the branch offices. Steel safes remain, nevertheless, an urgent requirement. Letters are to be addressed to the recipient *personally.*

Gen Finanzrat Wapenhensch (Finance Ministry): If letters pertaining to Reich Defense can be written in such a way that in case of their loss their contents cannot be recognized as mobilization measures by enemy news services, express matters must be dispatched by mail.

Col. Keitel: The purpose of the directive is not to represent clear unequivocal instructions for all cases, but to point out inherent dangers in case of leakage. Have to be decided separately in every case. Proposals about this matter in June. The purpose, not the form decides.

Item 5

Leaves of absence resp. releases from duty for the purpose of participation in training measures outside the Wehrmacht.

Notices pertaining to this subject have been sent to Ministries already. Reich Cabinet has decided to grant leaves of absence to officials in the services of the Reich, etc., without deducting that time from their recreational leaves. The Reich authorities in the Reich will be informed by the Wehrkreigkommandos. I request the Prussian Ministry of the Interior to state whether this measure is to be in effect in its sphere, as well.

Ob. Reg. Rat Diels (Pr. Min. of the Int.): Agrees for Prussia.

Min. Rat Schmidt (Traffic): For the RR officials etc. this will be settled by the H.T.K. The authorities will be informed orally, but how is one to go about with the instruction of the laborers. 27,000 workmen at the administration of waterways construction alone? Does that not invite abuses? What about secrecy in that case?

Col. Keitel: Only the authorities are to be informed. The men will be advised by the Wehrmacht agencies themselves. The men volunteer since they are mostly in reserve units. During the training

a. Security

b. Regulation of leaves of absence

will be explained. Unfortunately, the announcement of a leave schedule is not possible. The Ministries need not worry about the orientation of the men. What matters is that the superiors authorized to grant leaves are informed accordingly in advance.

Item 6

Storage of Weapons

a. Renting of state owned lands (e.g. State Forestry areas) must be accomplished without cost.

b. The Finance Ministry has set up a "re-enforced border control service". The value of this organization lies in the distribution of personnel among the customs sectors—equal to border protection sectors. Exchange of personnel rosters between the customs etc., authorities and the Wehrkreise is in effect already. The peace-time maneuvers of the re-enforced border control service are of great importance.

c. Storage of weapons near the location where they will be needed. Unfortunately weapon stores are not always secret any more (Czech newspaper). Secrecy must be maintained to a much greater extent, appeal to the assembled gentlemen.

d. *Request to the postal authorities:* Protection of Reich mail service to be prepared for the event of mobilization (at present available only in case of domestic disorders). The border protection maneuvers in Breslau have disclosed many deficiencies in communications in case of a Polish invasion of Upper Silesia. Police is not to be made available for such purposes. What has been the mission of the Landsturm in days past will have to be carried out by organizations created by the Reich Ministries themselves.

e. *Consideration of the interests of Reich Defense when drafting new laws.* (Examples: Construction Industry, electrification of railways). Cooperation by the Ministries is requested. Considerations of thrift alone must not be the determining factor. The interests of Reich Defense must not be forgotten for one moment.

Min. Rat Delvendahl (Postal Ministry): Asks for the text of the cabinet resolution with regard to the Reich Defense Council.

Capt. Tschache (Ministry Office): Reads it.

Col. Keitel: Promises each of the ministries a copy of the decree of the cabinet resolution. A discussion of the work plans in separate sessions is planned for the beginning of June.

Ob. Reg. Diels (Prussian Min. of Int.): Asks the council to deal directly with the Gestapo Department with regard to Reich Defense problems, since furnishes the best guarantee for the secrecy of the problems and tasks and because that office is anyway the competent agency in the Pr. Min. of the Int. to deal with the district registration offices, Control agencies, border protection, etc.

SGD. Keitel

Distribution:

[See list of participants in the first part of the document.]

COPY

Fuehrer's Hq, 31 October 1941.

The Chief of the Supreme Command of the Armed Forces
WFSt/Abt.L (II Org/IV qu
No. O 2588/41 Secret

SECRET

Subject: Use of prisoners of war in the war industry.

The lack of workers is becoming an increasingly dangerous hindrance for the future German war and armament industry. The expected relief through discharges from the armed forces is uncertain as to extent and date, however, its possible extent will by no means correspond to expectations and requirements in view of the great demand.

The Fuehrer has now ordered that even the working power of the Russian prisoners of war should be utilized to a large extent by large scale assignment for the requirements of the war industry. The prerequisite for production is adequate nourishment. Also very small wages are to be planned for the most modest supply with a few consumers' goods [Genussmittel] for every day's life, eventual rewards for production.

For the Arbeitseinsatz, following may be considered for example:

I. *Armed Forces.*

a. Clearing and construction units of all kinds in the occupied Eastern territories.

b. Work and construction battalions in the other occupied territories and in Germany.

c. Closed units of all kinds to relieve soldiers in labor service.

II. *Construction and Armament Industry.*

a. Work units for constructions of all kind, particularly for the fortification of coastal defenses (concrete workers, unloading units for essential war plants).

b. Suitable armament factories which have to be selected in such a way that their personnel should consist in the majority of prisoners of war under guidance and supervision (eventually after withdrawal and other employment of the German workers.)

III. *Other War Industries.*

a. Mining as under II b.

b. Railroad construction units for building tracks, etc.

c. Agriculture and forestry in closed units.

The utilization of Russian prisoners of war is to be regulated on the basis of above examples by:

To I. The armed forces.

To II. The Reich Minister for Arms and Ammunition and the Inspector General for the German road system in agreement with the Reich Minister for Labor and Supreme Commander of the Armed Forces [Wi Rue Amt].

Deputies of the Reich Minister for Arms and Ammunition are to be admitted to the prisoner of war camps to assist in the selection of skilled workers.

To III. The Reich Minister of Labor. Limitations are:

1. The securing of guards to protect the German people from dangers.
2. Housing in closed camps.
3. Securing adequate nourishment.

The observance of the counter-intelligence regulations which apply for the use of prisoners of war will be supervised by military counter-intelligence agencies as until now.

OKW (AWA) will furnish the Reich Minister for Labor with blueprints based on professional selection for the appropriate use of labor and will also permanently provide workers for assignment to the Arbeitseinsatz.

Furthermore the Supreme Commander of the Army is asked to take the necessary measures for the recruiting of volunteer labor in the Eastern operational zone in cooperation with the Reich Minister of Labor.

Signed Keitel

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Berlin, November 26, 1936.

Ministerpraesident General Goering
Plenipotentiary for the Four-Year-Plan
St.M.Dev.1007.

Subject: Jurisdiction re Development of Raw and Synthetic Materials.

I

1. According to No.V of my decree of October 22, 1936—St.M. Dev.265—the Office for German Raw and Synthetic Materials will handle the following tasks:

a. Increase in production of German industrial raw material,

b. Planning and execution of production of German synthetic materials with the exception of industrial fats,

c. Promotion of research required in connection with the tasks mentioned,

d. Mineral oil industry, including control of imported materials as well as materials produced outside of the Four-Year-Plan.

Under No.XI paragraph 2 of the same decree, I made clear that only the head of the Office for German Raw and Synthetic Materials will carry the responsibility for carrying out the raw and synthetic materials program within the limits of the means at hand and also of the available materials and manpower. An exception will be the department for industrial fats, which according to my order is under the supervision of engineer Keppler.

On the other hand I have decided under No.I paragraph 2 of the above mentioned decree that the work must be done in fullest cooperation with the proper offices, whose responsibility remains unlimited within their field of work.

For the competency of the Office for German Raw and Synthetic Materials on one hand and of the Reich Ministry of Economics and the subordinate offices on the other hand as also for the cooperation between the Reich Ministry of Economics and the Office for German Raw and Synthetic Materials, the following procedure will apply:

II

2. The mineral-oil industry (under d above) will be controlled by the Office for German Raw and Synthetic Materials. It includes in its field of work the following:

a. Promotion of increased industrial production;

b. Control of the existing fuel-production plants;

c. Increase in oil production;

d. Regulation and supervision of fuel storage;

e. Safeguarding of the supply of the Armed Forces and industry;

f. Regulation of the fuel market;

g. Promotion of import.

To carry through these tasks, the powers in the field of the mineral oil industry, which had been delegated to the Reich Minister of Economics by a decree of September 4, 1934 (RGBl I, p.816) concerning commodity exchange—in particular the supervision over the control agency for mineral oil—are transferred to the Head of the Office for German Raw and Synthetic Materials. Orders of the Reich Office for Foreign Exchange Control will also be issued to this control agency with the approval of the Office for German Raw and Synthetic Materials only, in accordance with and pursuant to section 2, paragraph 2 and section 3, sentence 2, of the law on Foreign Exchange Control of 4 February 1935 (RGBl I p. 106).

The bureaus "Distribution of Raw Material" and "Foreign Exchange" [Devisen] of the Four-Year-Plan shall participate in the work of the mineral oil industry to such an extent as their purposes should warrant.

The Institute for Scientific Research [Wifo] will be subordinate to the Office for German Raw and Synthetic Materials insofar as this Institute carries out construction of fuel tank storage plants.

The field of work of the bureau of the fuel industry is so closely related to that of the Office for German Raw and Synthetic Materials, that the supervision must be exercised by the latter. Insofar as it remains a part of the general organization of economics, instructions on general policy will be issued by the Reich Ministry of Economics. In order to maintain this connection, it is necessary that these instructions shall always be given in agreement with the Office for German Raw and Synthetic Materials.

III

1. The task of planning and carrying out of production of German synthetic materials (above under b) concerns the production of materials, which will replace raw materials, which up to the present have not been produced in Germany at all or have only been produced in insufficient quantities. The duty of the Office for German Raw and Synthetic Materials is the development of suitable and adequate production branches, which must be set up within the framework of the Four-Year-Plan. The development of the production in question includes the guarantee for the financing of plants.

The Office for German Raw and Synthetic Materials shall regulate in close cooperation with the bureau "Distribution of Raw Material" of the Four-Year-Plan the systematic allocation of synthetic materials from their production to their further processing, and the use of those materials wherever the production is sufficient and the materials can be used as a substitute for raw materials.

In organizing, financing and executing the production of German synthetic materials as well as in allocating these for further processing, the above mentioned offices will be held responsible for the prompt, complete, and expert accomplishment of the tasks to be solved within the framework of the Four-Year-Plan.

2. Adequate participation of the Reich Ministry of Economics will be necessary in order to protect the natural relationships with the whole system of economics and therefore with the general economic policy. This will occur in the setting up of the new branches of production, especially when experts of the Reich Ministry of Economics will be consulted, who will thus be given the opportunity to judge the plans submitted by my offices and their execution from a professional and over-all-economic point of view. Financially the cooperation of the Reich Ministry of Economics—regardless of the participation of the Reich Ministry of Finance—will exist insofar as agreements about market guarantees—except in the field of mineral oil industry—are concluded by the Reich Minister of Economics, and this in addition to the current cooperation of an expert competent in the field. The participation of the Reich Minister of Economics in the allocation of synthetic materials to further processing takes place through the control agencies as in the case of other raw material control.

IV

It is self evident that, in view of the tasks which are handled by the Office for German Raw and Synthetic Materials, research (compare above under c) shall be brought to the closest attention of the executive office. A technical surveying office has been established which will accumulate practical knowledge in the relevant fields of work, and which will also be at the service of other departments. In view of this it seems unnecessary to maintain any longer with the Reich Ministry of Economics the present office of a Commissioner for Raw Materials. I request, therefore, that this agency be dissolved.

V

The increase in production of German industrial raw materials within the framework of the Four-Year-Plan (compare above under a) will be mostly concerned with increased production of the mining of metallic raw materials. The planning and determination of objectives as well as the control over the execution of the tasks which must be accomplished within the framework of the Four-Year-Plan, are the responsibility of the Office for German Raw and Synthetic Materials which supersedes the authorities which have heretofore been in charge of these tasks. This does by no means exclude the further participation of these authorities. On the contrary, the Office for German Raw and Synthetic Materials will call on them as much as possible to insure a smooth and efficient execution and a complete and expert control of the work. Close cooperation must be maintained with the Department of Mining of the Reich Ministry of Economics for which the directives under III No.2 will apply. Under the jurisdiction of the Department of Mining will remain specifically the policing of mines and the general economic-political management of existing and newly constructed plants, as has been the practice and as it is specified by law. The Department of Mining will maintain close connections with the Office for German Raw and Synthetic Materials insofar as their activities will affect the work of the latter office. The above mentioned instructions re financing will also apply to these activities of the Office for German Raw and Synthetic Materials.

VI

In its work the Office for German Raw and Synthetic Materials will have to keep in direct contact with the expert of your organization. If, in the course of business negotiations, differences of opinion should occur between my office and those offices subordinate to you, they will be cleared in concurrence with your Ministry.

signed Goering

To
The Reich and Prussian
Minister of Economics.

TRANSLATION OF DOCUMENT EC-244

Berlin W.35 February 22, 1937

The Reichwehrminister
and Supreme Commander
of the Armed Forces.
WFStG.O. Nr. 599/37 g.K.IaF

SECRET COMMAND MATTER

My Fuehrer!

The plenipotentiary for war economy is to be considered under your instructions as laid down in the Reich Defense Law of May 21st 1935 a Supreme Government Authority. You have appointed Reichsbank President Dr. Schacht as head of that organization.

The President Dr. Schacht has notified me that he is not acting in his capacity as plenipotentiary for the time being since in his opinion there is existing a conflict between the powers conferred upon him and those of Col. General Goering. Because of this the preparatory mobilization steps in the economic field are delayed.

For purposes of clarification may I point out that in my opinion there is no overlapping in the realm of economic mobilization between the work of Col. General Goering as head of the Four Year Plan and that of the plenipotentiary for war economy.

The Four Year Plan has as its object, with regard to economic rearmament, to clear all bottlenecks within this program now, i.e. in time of peace. Especially the proposals to secure Germany's own needs for ore, fuel and rubber are of greatest significance from the point of view of a war economy.

The plenipotentiary on the other hand is entrusted with the task of preparing the existing economic forces of Germany for the event of war and to exploit these forces in the most useful way for the people and the army, should war break out. It is a matter of course that the two organizations should keep each other informed about all transactions made by either one of them. Since, moreover, the basic directives for the preparation of economic mobilization originate with my office, any controversy between the plenipotentiary and the head of the Four Year Plan can easily be avoided.

If you, my Fuehrer, agree with my view regarding these jurisdictional questions, it may be possible to induce Reichsbank President Dr. Schacht, whose co-operation as plenipotentiary for preparation of war is of great significance, to resume his former activity.

Signed: von Blomberg

q. t. l.

[signature illegible]

TRANSLATION OF DOCUMENT EC-248

Chief of Armed Forces
In Reich War Ministry

Berlin W 35 The 14 June 1937
Jizpitzufez 72-76
Telephone Bi Kurfuerst 819

No. 1067/37 Top Secret L IV a

Subject: Cooperation of the Plenipotentiary General and the four year Plan for War Economy

3 Copies
2nd copy

TOP SECRET

Most honored State Secretary,

As you already know, the President of the Reichsbank Dr. Schacht makes his exercise of his function as plenipotentiary General for War Economy, dependent upon an arrangement concerning the cooperation with the commissioner for the Four Year Plan.

I know that a necessary practical basis for it has been already found, and only a formal agreement is needed in order to carry on the common work.

I beg you now to speed up, if possible, this agreement with the President of the Reichsbank Dr. Schacht for the following reasons:

Because the President of the Reichsbank, Dr. Schacht is not exercising his office as the Plenipotentiary General the decisions on essential problems of mobilization and conduct of war remain unacted upon.

The special advisors of the plenipotentiary general can, without responsible leadership, do nothing else but raise objections against numerous projects of the Reich War Minister. At such a slow pace the complicated modern war instrument can not be prepared; to waste time in our situation would be the greatest reproach that history could make upon us.

May I beg, therefore, once more that the arrangement mentioned be expedited and that I be notified accordingly.

Heil Hitler
signed
Keitel

After dispatch
Economic staff

The president of the board of
directors of the Reichsbank

Berlin W 8, 21 July 1937
Behrenstr. 43
Tel: collective number
A 6 Merkur 4351

Dr. Hjalmar SCHACHT as plenipotentiary
GB 1515/37 g.Rs.
[Stamp:]

Top Reich Secret

(Replies to be sent to the same address without the words "as plenipotentiary", attention Min. Dr. Wohlthat.)

To:

(a) the Reich and Prussian minister of economics, attention: Counsellor Godlewski or deputy in office,
(*b*) the Reich and Prussian minister for food and agriculture, attention: Counsellor Dr. Dietrich or deputy in office,
(*c*) the Reich and Prussian labor minister, attention: Counsellor Schroeder or deputy in office,
(d) the Reich and Prussian conservator of forests, attention: State conservator of forests Schuette or deputy in office,
(*e*) the Reich minister of finance, attention: Counsellor Dr. Bender or deputy in office,
(*f*) the Reichsbank board of directors, attention: Reichsbank director Dr. Mueller or deputy in office,
(*g*) the Reich ministry and head of Reich office for territorial allocation [Raumordnung], attention: Counsellor Dr. Schepers or deputy in office,
(*h*) the Reich minister of foreign affairs (foreign office), attention: Councillor von Schmieden or deputy in office,
(*i*) the Reich and Prussian minister of the interior, attention: Counsellor Wagner or deputy in office,
(*k*) the Reich war minister and commander in chief of the Wehrmacht, attention:
  (*aa*) Colonel Jodl } or deputy in
  (*bb*) Colonel Thomas } office
(*l*) the Reich minister of justice, attention: Counsellor Haastert or deputy in office,
(*m*) the Reich minister of Postal Services, attention: Counsellor Schroeder or deputy in office,

[illegible notes]

(*n*) the Reich and Prussian minister for transportation, attention: Counsellor Pigge or deputy in office,

(*o*) the Reich minister of national orientation and propaganda, attention: Major von Wrochem or deputy in office,
(*p*) the Reich minister for air and commander-in-chief of the air force, attention: Major of the general staff Erdmann or deputy in office,
(*q*) the Reich minister for science, education and national schooling, attention: Ministry director Dr. Kruemmel or deputy in office,
(*r*) the president of the Prussian ministry (Prussian state ministry), attention: Councillor Neumann or deputy in office,
(*s*) the state secretary and chief of Reich chancellery, attention: Counsellor Dr. Willuhn or deputy in office,
(*t*) the inspector general for German highways, attention: Assessor for the government Henne or deputy in office,
Berlin

Enclosed I am sending for your information a statement about the cooperation of the plenipotentiary for the war economy with the commissioner for the 4-Year plan.

The deputy
signed WOHLTHAT.

stamped:
Reich and Prussian
Ministry of Economy

Certified
[illegible]
Secretary

Secret Reich Matter
Copy of GB 1515/37 g. Rs.

20 copies
11th copy

A re-examination, made by the two undersigned at the instance of the Fuehrer and Reich Chancellor, of the basic questions raised earlier, which are hereby settled, has shown that the tasks of the Deputy for the Four Year Plan and the tasks of the Commissioner General for War Economy are being solved in closest mutual cooperation. Moreover, no doubt exists about the fact that the Commissioner General for War Economy has the position of a supreme authority of the Reich.

Signed: Hermann Goering. Signed: Dr. Hjalmar Schacht
Berlin, 7 July 1937.
to St. M.R.V. 653 g. Rs.

Encl. to No. 2066/37 top secret
Economics staff

PARTIAL TRANSLATION OF DOCUMENT EC–252

8.7.37

[Letter from Schacht to v. Blomberg.

After referring to the economic war measures of Godesburg [wirtschaftliche Kriegsspiel], Schacht emphasizes that he cannot conceive any conduct of war without complete cooperation between Blomberg and himself. He states:]

The direction of the war economy by the plenipotentiary would in that event never take place entirely independently from the rest of the war mechanism but would be aimed at accomplishment of the political war purpose with the assistance of all economic forces. I am entirely willing, therefore, to participate in this way in the preparation of the forthcoming order giving effect to the Defense Act [Reichaverteidigungsgesetz].

TRANSLATION OF DOCUMENT EC–256

COPY

The Reich Minister and Chief of the Reich Chancellery

Berlin W 8, 12.10.37.

To Reich Ministers.

I am forwarding to you respectfully the following copy with the demand to take note.

(signed) Dr. Lammers

Reich Minister and Chief of the Reich Chancellery

Berlin, 12.10.37

To: Minister President Col. General Goering
Reich Minister Funk.

I have the honor to inform you that the Fuehrer and Reich Chancellor has extended the commission of Minister President Col. General Goering as Reich and Prussian Minister of Economy until Jan. 31, 1938. The Fuehrer and Reich Chancellor has further decided, that Reich Minister Funk will keep his present position until January 31, 1938, without regard to his appointment as Reich Minister of Economy as of January 15, 1938.

Publishing of this order by the press shall not take place. Copy of this letter has been brought to the attention of the Reich Ministers.

(signed) Dr. Lammers.
12.17.37.

PARTIAL TRANSLATION OF DOCUMENT EC-257

[Personal letter dated 29 December 1937 from Schacht to Thomas.]

I think back with much satisfaction to the work in the Ministry of Economics which afforded me the opportunity to assist in the rearmament of the German people in the most critical period, not only in the financial but also in the economic sphere. I have always considered a rearmament of the German people as conditio sine qua non of the establishment of a new German nation.

* * * * * * *

I particularly enjoyed the cooperation with your staff and particularly with you personally. In the past four years I have met with all kinds of opportunism and only rarely met with true and sincere friendship. I have no regrets in forgetting about opportunists with the resignation from the Ministry of Economics but the friends have remained. I thank you that you have afforded me such unreserved assistance in our mutual work and ask you to convey this message to your assistant.

TRANSLATION OF DOCUMENT EC-258

THE PREPARATION OF THE ECONOMIC MOBILIZATION BY THE PLENIPOTENTIARY FOR WAR ECONOMY STATUS AT THE END OF DECEMBER 1937

CONTENTS

I. *The task.*

In war—In peace.

II. *The organization.*

The leading staff as superministerial agency. The G. B. offices as ministerial level. Central offices under the ministerial level. The field authorities of the G. B. divisions as central level. Special deputies of the G. B. on the staff of the chief of the Civil Administration with the High Command of the Armies. Subordinate offices of the field offices of the G. B. divisions as agencies on a lower level.

III. *The measures.*

1. Industrial war economy.
   - A. Central regulation: Statistics of war economy—economic plans—preparations for the execution of economic plans, special regulations—coal economy—motor fuel economy—power economy—construction of storage rooms and preparation buildings, storing—evacuation and salvage—regulation of consumption.
   - B. Local securing—Distinction between R and KL plants. Protection of the KL plants.

2. War food economy.
   War food plan—Preparations for execution of the war food plan—storing—evacuation and salvaging—regulation of consumption for the civilian population—supplying the Wehrmacht—agricultural card index—card index of the food industry—securing the KL enterprises.
3. War forestry and wood industry.
   Wood economy plan—economic system—ascertaining the KL enterprises—securing the KL enterprises.
4. Foreign trade in times of war.
   Plans for import and export—preparation of the carrying out of the plans for import and export—ascertaining and protection of KL—export enterprises.
5. Transportation in the war economy.
   Ascertaining transportation requirements—coordination of transportation requirements of military economy and Wehrmacht—transport situation in the Rhemisch-Westphalian Industrial Region—ascertaining and securing of trucks of KL enterprises.
6. Conscription of manpower in war.
   Legal basis—preparation of labor conscription—ascertaining the available amount of manpower—ascertaining war requirements of manpower—covering of wartime requirements—abolition of right to choose domicile in the event of war—relaxation of provisions on the working hours and the prohibition to employ certain persons—social protection.
7. War finance and money economy.
   War finance requirements—covering of war finance requirements—self financing of war economy—war taxes—war loans—restrictions on traffic of money—securing of war important money requirements.

IV. *Final remarks.*

I.

THE TASK

In Wartime

The Plenipotentiary for War Economy (G.B.) pursuant to the non-published Reichs Defense Law of May 21, 1935, has the task to make available in case of mobilization all economic forces to the conduct of war and to secure the life of the German people economically.

The *reasons for the law* emphasize that the experiences of the great war proved the necessity to concentrate during a war the total economy and the whole system of financing of the conduct of the war under one uniform direction. According to the will of the Fuehrer and Reichs-Chancellor, the G. B. is to be in charge of this responsible direction and thus, together with the Reichsminister of War, who hold the executive power, be independent and responsible for the scope of his activities under the Fuehrer and Reichs Chancellor.

In Peace Time

The *Plenipotentiary* (G. B.) appointed by the Fuehrer and Reichs Chancellor for the case of mobilization has, pursuant to the resolution of the Reich Government of May 21, 1935, to begin his work already in peace time. According to the direction by the Fuehrer and Reichs Chancellor, in his capacity as Chairman of the Reich Defense Council, he has to direct the economic preparations for the case of war as far as they are not within the jurisdiction relative to the armament industry of the Reich War Minister. G. B. and Reich War Minister have to make their preparations for mobilization in close mutual understanding.

II.

THE ORGANIZATION

The Leading Staff as Superministerial Agency.

For the uniform planning coordination and performance of all fundamental war economic preparations the G.B. has established a leading staff consisting of specialists of the following ministries and Reich authorities which are subject to it in war time and bound by its directions in peace time:

Reich Ministry for Economy.
Reich Ministry for Food
Reich Ministry for Forest-Economy
Reich Ministry for Labor
Reich Ministry for Finance } for financing the conduct
Reichsbank Directory } of the war.

The Reich Ministry for Transportation which, contrary to the request of the G. B. has not been brought into the sphere of the G. B. has, upon the desire of the G. B., put specialists at his disposal to work on questions of war economic transportation.

The War Economic Departments at Ministry Level

The offices within the G. B., in order to carry out the directions given to them by the G. B. and its leading staff, have appointed a Reich Defense Division Chief who is immediately under the Secretary of State or, as to the Reichsbank, placed immediately under the President of the Reichsbank. The Reich defense Division Chiefs are responsible that the war economic preparations within the divisions are carried out uniformly. While as a rule the Reich

Defense Division Chiefs make use for this purpose of the peacetime economy sections of the GB Divisions, there has been formed in the Reichs Ministry for Economy under the direction of the Reich Defense Division Chief an independent Economic Division for Armament which, in collaboration with the other sections of this division, shall take the measures necessary for the preparation of industrial war economy.

Central authorities below the ministry level.

The divisions placed under the GB, for the purpose of carrying out the individual war economic tasks, have assigned mobilization tasks to the following central agencies.

The Reichs Ministry for Economy:
  The Reichs Office for Statistics to assemble statistical figures for war economic production;
  The Control Offices to prepare the management of materials;
  The Reich Chamber for Economy to limit economic publications;
  The Economic Groups to prepare plans for war economic foreign trade;
  The WIFO [Economic Research Corporation with Limited Liability] to construct fuel depots and places for alertness and for the storage of raw materials and fuels important for war;
The Reichs Ministry for Food:
  The Reich Research Institute for Food Economy for drawing war food plans;
  The Reichs Offices to prepare the war food economy;
  The Reich Food Estate to prepare the war food economy;
The Reich Office of Forestry
  The Control Office for wood to prepare the war wood economy.
The Reichs Ministry for Labor
  The Reich Office for procurement of employment and unemployment insurance, to make preparations for the procurement of labor in case of war.

The field offices of the GB divisions as intermediate level.

The Reich Ministry for Economy, The Reich Ministry for Food, The Reich Office for Forestry and The Reich Ministry for Labor, for the purpose of carrying out district and local tasks, have created branch offices with 7 Prussian Chief Presidents, 2 Prussian District Presidents, 1 Bavarian District President and 4 Non-Prussian Lander Governments which are at the seat of a Military District Command. With regard to the close cooperation with the military offices of the Military District Command the areas of the field offices are not to be coordinated with the areas of the offices of the general and interior administration to which they are attached, but with the Military districts. An exception is made as to the areas of the field offices Dusseldorf and Munster which together correspond to Military District VI.

To guarantee the uniform collaboration within the sphere of GB also on the intermediate level, GB has since 1½ years requested that the field offices of GB be combined at the same seat of the office into economic section for armament under the direction of a Government Director to be appointed by him in agreement with the GB departments. The Reich Minister of Interior has not met this demand yet but advocated in a drill for the Preparation of the War Administration [KRG], which at present is with the Fuehrer and Reichskanzler, the formation of general RV division comprising all mobilization preparations in the civilian sector under a director to be appointed by him.

In wartime the field offices of the GB divisions form the Gau economic offices to be formed within the offices of the general and interior administration with the following divisions:

Industrial War Economy
War Food Economy
War Forestry and Wood Economy
War Labor Economy.

The Reich Finance Ministry and the Reichsbank for the purpose of carrying out their tasks within their field districts make use of their following subordinated offices: The Finance Offices for the Provinces, Local Finance Offices, Main custom offices etc., and the Reichsbank Main Branches, Reichsbank offices and Reichsbank subordinate offices.

Special deputees of GB on the staff of the chief of civil administration with the Army High Commands.

In wartime the executive power in the field of operations passes over to the Army Chief Commanders who exercise their authority in the civil administration through the Chiefs of Civil Administration [CdZ] assigned to them by the Reichsminister of Interior. The GB sends an own special deputy to the staff of each CdZ who has to carry out all war economic orders issued by the Army Chief Commander to the CdZ. If there are no directions to the contrary by the Army Chief Commander, the Special Deputy of the GB on the staff of the CdZ has to take care that all orders of the GB and the divisions belonging to the jurisdiction of the GB are carried out uniformly in the field of operations. For this purpose the Gau economic offices within the offices of the general and interior administration are subordinated to him. The GB has selected the Special Deputies in agreement with the Reichsminister of Interior, the GB must now appoint and instruct them.

Subordinate offices of the field offices of the GB departments as agencies on a lower level.

The following offices are subordinated to the field offices of the divisions under the authority of the GB, for carrying out district and local preparations:

- The Regierungs Presidents and corresponding non-Prussian authorities;
- The Landrate, Chief Mayors and corresponding authorities for preparation of ration certificates and the preparation of industrial evacuation and salvaging;
- The Industry Supervising Offices for examining the procurement of labor forces in the industrial KL plants;
- The Chambers for Economy for general war economic preparations in the economic districts and for limitations on economic publications;
- The Chambers of Industry and Commerce for securing the productive capacity of the industrial KL plants;
- The Foreign Trade Offices for securing the capacity of the industrial KL plants as to export production.

To the field offices of the Reichs Food Ministry:

- The Land farmers organizations with the especially created offices for making the food situation secure, for the preparation within their districts of the war food economy.
- The Kreis farmers organization for the local preparation of the War Food Economy;

To the field offices of the Reich Forestry Office:

- The Land Forest Masters and Land Forestry Administrations for general district questions referring to war forest and wood economy;
- The Forestry Offices for local questions of the war forest economy;

To the field offices of the Reich Labor Ministry:

- The Land Labor Offices for general preparation of wartime use of labor in their districts;
- The Labor Offices for securing the labor forces in the KL plants of the total war economy and other plants in need of labor outside of the Wehrmacht.

A general survey of the total organization for the preparation of the war economy is shown in the attached chart.

III.

THE MEASURES

1. Industrial War Economy.

A. *Central Regulation.*

The preparation of industrial war economy is divided into:

(1) a central regulation of the production and consumption of industrial products.

(2) a local securing of production in the industrial KL plants and of consumption of the civil population.

Statistics of War Economy.

For the purpose of securing basic information for the central general regulation of production, and consumption, the Reichs office for Statistics has collected comprehensive war economic statistical figures of the whole German industry in 1936, just as it was done in 1933.

These statistics comprising 300 branches of industry with 180,000 industrial plants, pertains to the composition of the labor force as to sex, age and training, the consumption of raw and auxiliary material, fuels, power, the productive capacity, the domestic and foreign trade as well as the supply of material and products in the beginning and at the end of the year.

The information received from the individual plants has been collected in a factory card index and will, when photostated, be put at the disposal of the field offices of the Reich Ministry for Economy as basis for locally securing of the industrial KL factories.

The reports of the individual enterprises will also be put together for the district of each foreign field office and for the Reich classified as to branches of industry and will be used in the central and intermediate agency as basis to judge on the significance of the individual enterprises within the Reich and foreign districts.

The results of branches of industry of a coherent industry group supplementing each other are for the purpose of showing the mutual dependence with respect to various materials and products combined into industrial family trees. Equally, the flow of materials into the various branches of industry and over the various grades of processing is shown by material family trees.

Economy Plans.

On the basis of these statistics collected by the Reichs Office for Statistics, economic plans are drafted in the division for war economy of the Reich Ministry for Economy in cooperation with the control offices and industry exports for about 200 materials, half of which have already been worked out. In these plans the needs of the Armed Forces and the civilian minimum needs in wartime are compared with the covering thereof by supplies and production. A deficit will be reported to the office for German raw and working materials and be considered in the execution of the Four Year Plan. In addition it will be registered as import needs in the foreign trade plans which are worked out by the war economy division of the Reichs Ministry for Economy in cooperation with the economic groups of the organization of the industrial economy. The export needs set up in these plans for the purpose of compensating with the import needs, as far as raw materials for manufacturing purposes are concerned, again find consideration in the economic plans mentioned before. For East Prussia special economic plans are being worked out.

Preparations for carrying out the economic plans.

The economic plans serve as basis for the legal and organizational preparations. According to the unpublished War Contribution Law [RLG] of May 21, 1935, in case of war, contractual agreements are replaced by the contribution duty of the individual. Based upon this law [RLG] a decree on the creation of Reichs offices, orders the establishment of State economic offices authorities, which are set up by converting the control offices into Reich offices with increased authority (the right to earmark, seize and assign). The supervisory boards already drawing up their plans for distribution of war contracts are preparing their orders for the regulation of war contracts and fees, they are securing for themselves their indispensable personnel by collaboration with the replacement offices of the Wehrmacht and the field offices of the Reich Office for the Procurement of work and Unemployment Insurance, and they are working out, on the basis of the economic plans submitted to them, a system of management within the framework of their authority. They are preparing the orders which are necessary to carry out this economy in case of mobilization.

Special regulations.

For the handling of coal motor fuels and power further-going regulations have been prepared in view of the k and l importance of these materials.

Coal economy.

In case of mobilization, the authority to supervise the coal production and to distribute the coal will be transferred to the Reich Coal Commissar. He will also be in charge of the immediate distribution to the large consumers and armament factories. The Gau economic offices in whose "individual economy" division Gau coal offices are set up, are further charged with distribution of the contingents allotted to them by the Reichs Coal Commissar for the other war important and vital plants and for domestic consumption. Special local coal offices serve this purpose which will be incorporated into contemplated economic offices in the offices of the Landrate, Chief mayors and corresponding authorities. To improve the coal stock situation in the protected territory the Rhenish-Westphalian Coal Syndicate maintains a mobilization stock of 500,000 tons near Magdeburg. For the same purpose, the Reichsbahn has increased its supplies by 500,000 tons. To ease the situation of the Reichsbahn which in case of a mobilization will be heavily burdened by the deployment of and replacement for the Wehrmacht, the industrial plants with an annual consumption of more than 3000 tons have been requested to store a coal supply of 3-4 months.

Motor fuel economy.

For the preparation of the fuel management, investigations have been carried out in order to find out the needs for fixed and movable motors, and in order to find out the capacity of the storage facilities an investigation regarding the tap and gasoline stations has been carried out. On the basis of the results of these investigations and the needs of the Wehrmacht and the existing possibilities to cover the demands, the Control Office for Mineral Oils as Reich Office will allot to the Gau Mineral Oil offices which are to be established in the divisions for industrial war economy of the Gau economy offices group contingents for the distribution to large consumers, such as railroads, post, shipping. In addition the Gau Mineral Oil offices will allot subcontingents to the Kreis Mineral Oil Offices, to be created in the planned economic offices of the Landrate, Chief Mayors and corresponding authorities, of which their k and l plants and other k and l important consumers can dispose by ration cards which have been prepared already. Besides now definite gasoline stations and gasoline stores have been designated to the Wehrmacht for the first equipment of the troops in case of mobilization, and which are needed only for the first days after mobilization. A report on the construction of Reich owned large gasoline storage places and intermediate gasoline storage places as well as on the storage of national fuel reserved in these for purposes of the Wehrmacht will be rendered in another place in connection with the work of the Economic Research Corporation [Wifo].

Power economy.

In the field of energy economy, the Law Concerning Power Economy furnished effective means to prohibit war economically undesirable construction plans and to promote construction plans necessary for the war economy. In the center of the military energy policy is at present the extension of the German compound economy by combining the individual lines into a Reich collecting line, the German Ring. The already appointed Reichs Burden Distributor and ten district burden distributors will have to decide on power supply in the case of mobilization. By instructing these burden distributors about the needs of the R-industry and the war economy to be covered under any circumstances, care will be taken that in case of energy saving which might become necessary, in the first time the need unimportant for war be throttled or cut off. It is practiced by maneuvres what measures have to be taken in case places of power generation should be eliminated.

Construction of supply rooms and readiness arrangements supplies.

The Reichsminister of Economy, to overcome bottlenecks in the war economical situation founded in the fall of 1934, the Economic Research Corporation m b h [Wifo]. The Wifo which at present employs 1,300 employees and workers including guards has, for the finishing of constructions and storage, invested up to now 248 million Reichsmarks.

The constructions of Wifo are as follows:

(1) Large storage facilities: total of 9 with a capacity of 150,000 tons,

(*a*) ready	3
(*b*) under construction	6

(2) Facilities for supplement: a total of 30 with a capacity of 150,000 tons,

(*a*) ready	7
(*b*) under construction	6
(*c*) planned	17

(3) Readiness constructions for the production of nitric acid, Oleum, carbide alcohol and alumina: a total of ten, of which are

(*a*) finished and taken into operation according to the provisions of the Four Year Plan	3
(*b*) finished	4
(c) under construction	3

In all these readiness constructions can be produced;

183,000 tons per year of nitric acid
118,000 tons per year of oleum
20,000 tons per year of carbide alcohol
50,000 tons per year of alumina.

The supplies furnished by Wifo comprise, according to the status of December 1, 1937:

266,000 tons carburetor fuel
94,000 tons Diesel fuel
43,000 tons of lubricating oil
40,000 tons of manganese ore
4,000 tons of ferro nickel
1,000 tons of copper
800 tons of magnesium
400 tons of antimony
75 kilograms of platinum

Evacuation and salvage.

In cooperation with the 6th division of the General Staff of the Reich War Ministry directions on the preparation and execution of the economic evacuation have been worked out. According to an emergency list for evacuation goods and an evacuation list for skilled workers, the supplies and skilled workers in the evacuation zones are registered, earmarked for transportation into certain salvage areas and registered with the Military District Commands by the field offices of evacuation and salvaging plans. The Military District Commands following these evacuation and salvaging plans issue their evacuation plans, the execution of which is prepared with special regard for transportation under the supervision of the District President, the Landrate and corresponding authorities with the support of special evacuation commissars. The supplies secured by evacuation will find consideration as supplementary reserves in the central economic plans.

Regulation of consumption.

The management of production is supplemented by a regulation of the consumption of the civil population. The Reich Minister of Economy in cooperation with the Reich Food Minister and the Reich Minister of Interior has worked out a decree for securing the vital needs of the German people with four executive decrees (for food, coal, soap and cleansing agents, textiles and shoes). For purposes of economy and in order to prevent covering of needs which is not uniform (hoarding) these orders introduced a system of ration cards which will be effective immediately in case of mobilization. The 80 million ration cards necessary for this purpose have already been printed and deposited with the Landrate, Chief Mayors and corresponding authorities. The further distribution of the ration cards to the individual households is prepared by these authorities to take place within 24 hours after mobilization has been ordered. The ration cards are valid for the first four weeks after mobilization. Subsequently a more detailed separate system of rationing will become effective for the industrial war economy and the war food economy which is being prepared at present.

B. *Local Securing.*

The central regulation of the production and consumption of industrial products is supplemented by a local securing of the production by the field offices of the Reich Ministry for Economy.

Distinction between R—and KL—Enterprises.

The aforementioned resolution of the Reich Government dated 21 May 1935 confers the direction of the economic preparations for the event of war on the Plenipotentiary (GB) only insofar as these preparations are not within the jurisdiction of the Reich War Minister relative to the armament industry. The Reich War Minister has combined the war requirements of the three parts of the Wehrmacht with regard to first equipment and replacement in a programme for finished goods. According to this plan for finished goods the military agencies will place with certain suitable industrial enterprises mobilization contracts providing for the delivery of finished implements of war and war contracts providing for the delivery of finished implements of a kind customary in commerce. Industrial enterprises which obtain an order for finished implements of war will be designated by the Reich War Ministry as armament enterprises (R-enterprises). Thereby they pass under the special jurisdiction of the Reich War Ministry; at the present time there exist approximately 2800 R-enterprises. Within the scope of his jurisdiction as Plenipotentiary (GB) the Reich Minister for Economics has responsibility for maintaining the KL production and the production for export which is within the capacity of the R-enterprises not absorbed by mobilization contracts. However, he must report to the military authorities which have jurisdiction over those R-enterprises which measures are necessary to secure the aforementioned maintenance of production and the military authorities shall first ascertain that these measures do not impair the performance of the mobilization contracts and shall then include them in the mobilization calendar. Only after the inclusion in the mobilization calendar, may be taken the measures relative to the part of the R-enterprises not used for mobilization contracts.

As to all measures outside of direct production, e.g. providing with material, fuel and motor fuel, energy and manpower, the Plenipotentiary has jurisdiction also with regard to R-enterprises. Through the Reich Ministry for Economy and its field offices he supervises also those industrial enterprises which the military authorities * * * agencies needing manpower which are necessary for maintaining of export and the supplying of the civilian economy and population with vital necessities and are designated by the Reich Minister for Economy as KL-enterprises. Wholesale and craftsman enterprises which are important to the war economy can also be designated as KL-enterprises. The field offices report to the Command of Military Districts all of the KL-enterprises (approximately 25,000). The Command in turn will see to it that the KL-enterprises are covered by the Local Police Protection and the Airprotection of the District Confidence Agencies of the Reich Group Industry which are placed under the authority of the Reich Air Minister. Besides the most important KL-enterprises will be reported by the field offices to the District Military Commands in order to insure to them Active Air Protection (Flaks, fighter squads).

Security of KL-enterprises.

The field offices of the Reich Ministry for Economy appoints in each KL-enterprise a trusted person whose reliability has been investigated by the Secret State Police. In accordance with the directives of the field offices of the Reich Ministry for Economy these trusted persons shall carry out the measures which guarantee the maintenance of the production of their enterprises in event of mobilization. In particular they shall report to the competent Labor Offices for exemptions from military service and draft for civilian service all of their workers and employees who are indispensable to their enterprise. In the same manner they shall report to the field offices of the Reich Ministry for Economy for exemption from military and civilian draft requirements all of the motor trucks on which their enterprises depend. The field offices of the Reich Ministry for Economy apply with the competent Military Replacement Inspections for exemption of the trucks and secure for the KL-enterprises the trucks exempted and not required by the Wehrmacht. For those KL-enterprises as to which in the extent of mobilization there must be expected with certainty a maximum use of their capacity (e.g. mining iron industry) as a transformation of their production (e.g. chemical industry, etc.) production plans will be made by the Reich Ministry of Economy. These plans will be transmitted by the field offices to the trusted persons of these KL-enterprises. The trusted persons of these enterprises shall have all protective measures on these plans of production. The trusted persons shall list all the protective measures taken by them in a mobilization calendar. For this purpose the trusted persons have been furnished with special instructions.

2. War Food Economy.

In order to obtain an exact survey of the possibilities of supplying Germany in the event of a mobilization, which takes into account various cases, such as a blockade or a war on two fronts, the Reich Food Ministry has caused the Research Agency for Food Economy to draw up annual food plans beginning 1 April 1934.

Preparation of the Execution of the War Food Plan

In order to execute the War Food Plan the Reich Food Minister has completed drafts of a skeleton decree relative to the organization of the War Food Economy and of several decrees relating to the public management of the various agricultural products. The provisions thereof have been drafted in such a manner that they can be adapted at any time to the changes based on the peacetime economic measures. On this legal basis the competent Central Associations of the Reich Food Estate and the Reich agencies of the Reich Food Ministry prepare plans concerning the management of the individual kinds of victuals.

In order to carry out the Food Economy Plan the Reich Food Estate is placed under the authority of the Reich Food Ministry in the event of mobilization. With the District Economy Offices which will function in the event of mobilization as an intermediate government agency of the general administration. There will be established a branch for War Food Economy. The external agencies of the Reich Food Ministry are the germcells from which that branch will develop. The branch will be divided into two subdivisions, one of which will deal with the regulation of the production and its control by the competent Country Peasantry while the other will handle the regulation of distribution and consumption by the competent agencies of the general administration. Similarly divisions for war food economy will be established with the planned Economic Offices of the Landrate, Chief Mayors, and of similar governmental agencies. The related agencies of the Kreis Peasantries shall be merged into those divisions for war food economy.

Storage

Owing to the serious food situation it has not been possible to store food to the extent necessary in case of mobilization. At the present time there exists only the following national reserve in case of war:

1900 tons of oats, 2000 tons of legumes, 1500 tons of butter and considerable quantities of fruit pulp for the making of marmalade.

Evacuating and Salvaging

Within the framework of the directives agreed upon by the Plenipotentiary (G.B.) and the Reich War Ministry relative to the preparation and execution of the evacuating and salvaging of agricultural products and of animals has also been regulated. Excepting certain deviations, that regulation follows generally the same lines as the procedure prescribed for the removal and salvaging of industrial products. The provisions salvaged by removal will constitute an additional reserve for the war food economy in the protected zone.

Rationing of Supplies for Civilian Population.

As was stated above in the section on industrial war economy, in the event of mobilization all vitally important foodstuffs will be covered by a system of rationing certificates pursuant to a Decree on the Safeguarding of the Vital Necessities of the German People and regulations thereunder. Drafts of both the decree and the appertaining regulations have been completed. It has already been stated that ration certificates have already been printed and have been distributed to the lower administration agencies and that preparations have been made to issue them to the individual households within 24 hours.

A special regulation made in accord with the Reich War Ministry regulates the supplying of the members of the Army, or the Police etc. who live in common lodgings in Germany and are fed in messes.

Supplying of Wehrmacht

Pursuant to the Principles regarding Supply agreed upon with the Reich War Ministry productive enterprises have been ascertained which have been directed to furnish the food replacement warehouses with certain quantities in the event of mobilization. The collection of oats, roughage and potatoes for the Wehrmacht has been prepared by fixing the shares of the intermediate and lower agencies of the Reich Food Estate. Similarly the supplying of the Wehrmacht in the zones of operation will be regulated.

Agricultural Card Index

In order to ascertain the kind and efficiency of the agricultural establishments the Reich Office for Statistics is preparing a card-index of altogether 1,6 million establishments. Under the supervision of the Reich Food Ministry and its field offices this card-index is being distributed among the Kreis-Peasantries and managed by them. From year to year it will be kept up to date by means of a farm card.

Card-Index of Food Industry

Within the framework of the Inquiry into Military Economic Production of the German Industry made by the Reich Office for Statistics the establishments of the food industry have also been checked and the material has been collected in a factory card-index. This factory card-index system is being managed by the field offices of the Reich Food Ministry, which, on the basis of that index, investigate the ever-important establishment of the food industry and declare them to be KL-establishments.

Protection of KL Establishments

KL-establishments of the food economy are protected similarly to KL-establishments of the industrial economy. Thus, in particular, the field offices of the Reich Food Ministry will notify the Commands of the Military Districts of the KL-establishments which may have to be the subject of local police action and active and passive air protection. The material needed by agricultural enterprises has been ascertained for each district on the basis of thorough investigations by the Reich Food Estate. The field offices of the Reich Food Ministry will notify the field offices of the Reich Ministry for Economy of that material needed and the latter field offices shall see to it that these needs will be satisfied. The field offices of the Reich Labor Ministry, the State Labor Offices and the Labor Offices will cooperate in preparing the securing of the indispensable farm hands and of the skilled workers necessary for the food industry. In the same manner as it is done in the case of the industrial economy the trucks necessary for agricultural enterprises and enterprises of the food economy will be ascertained and secured. It is planned to collect all protective measures in mobilization calendars.

3. War Forests and Wood Economy

Wood Economy Plan

In order to establish a Plan for Wood Economy, the Reich Forest Master has initiated a thorough investigation of the existing wood supply and the requirements of wood. On the basis of the existing material related to the peace time requirements, the civilian minimum requirements in the event of war can be estimated with a fair degree of accuracy. However, in spite of several requests made, it was not yet possible to obtain from the Reich War Ministry information on the requirements of the

Armed Forces. For this reason the Wood Economy Plan could not yet be completed.

System of Management

Independently from this not yet completed work, the Reich Forest Master has made legal and administrative preparations to carry out the management of wood in event of War. As was done in the field of industrial economy, it has been provided to transform, in the event of mobilization, the Supervisory Office for Wood in a Reich Office with enlarged authority (power to investigate, seize and allot). To carry out regional tasks there will be established a Division for Forest and Wood Economy with the Gau Economy Offices in the intermediate branch of the general administration. This division will be composed of the field office of the Reich Forest Master, of the State Forest Office or the State Forest Administration at the seat of a command of a military district and of the competent marketing association and will be headed by a State Forest Master.

Ascertaining of KL Enterprises

On the basis of the factory card-index established by the Reich Office for Statistics, the field offices of the Reich Forest Master have ascertained the KL enterprises of the wood economy situated within their respective precincts, especially the raw-mills.

Protection of the KL Enterprises

In view of their requirements of material and fuel, of indispensable labor and of absolutely essential trucks, these KL enterprises are protected in the same manner as the KL enterprises of the industrial and food economy. This is being done in cooperation with the field offices of the Reich Ministry for Economy, the State Labor Offices and the Labor Offices and with the competent agencies of the armed forces.

4. Foreign Trade in Times of War

Plans for Import and Export

On the basis of material which will be gathered by the departments of the Plenipotentiary (GB), the Plenipotentiary (GB) will draw up plans for imports and exports which will take into consideration the probable war situation. The plans shall show which import requirements must be met during the war, what amount of exports can still be maintained and what will be the probable terms of foreign currency (Devisen) and of clearing possibilities.

Preparation of the Carrying out of the Plans for Import and Export.

A draft of a decree has been completed, which shall become effective in the event of mobilization. It provides that for the direction and regulation of the foreign trade during the war there shall be appointed a Reich Commissioner for Foreign Trade who shall be placed under the authority of the Plenipotentiary. With the Reich Commissioner there will be established a Working Committee for the Foreign Trade consisting of representatives of all Ministries which have jurisdiction over foreign trade. It is incumbent upon the competent Ministries in the event of War to carry out their tasks in the field of foreign trade.

For the purpose of regulating imports and managing the foreign currency needed in the traffic with goods, the Reich agencies of the GB-Departments shall be required to cooperate in case of War. In order to direct exports, particularly in the field of industrial economy, export offices will be established with those Groups of the Economy which relate to branches of the economy which, even during a war, may engage in exporting. These export offices will take over the tasks and powers of the now existing investigating offices.

As to foreign trade and the transfer of currency, which are already at present to a large extent subject to regulation by law, regulations are being prepared relative to the carrying out and supplementing of the existing provisions. Mainly involved are: the issuing of prohibitions of imports and exports, made necessary by the war, the introduction of custom decreases or exceptions from customs duties with respect to war essential goods, the supplementing of existing currency laws and provisions under which trade treaties and economic agreements with foreign countries become ineffective.

Ascertaining and Protection Of KL-Export-Enterprises

As mentioned already in the section on industrial war economy, the field offices ascertain all of the enterprises the exports of which amount to the value of 500,000 Reichsmark annually. Those enterprises will be designated as KL enterprises (export) and their production will be protected in accordance with the procedure applicable to KL enterprises.

In order to obtain more detailed material the Economy Groups have been directed to collect with respect to enterprises engaged in export certain data on the export turnover and the direction of the export and to combine the data in a card-index. This card-index will be made known to the competent field offices so that they may supplement their factory card-index. The field offices shall then use these statements as a basis for the protection of production.

5. Transportation in the War Economy

Ascertaining of Transportation Requirements

In order to ascertain the transportation requirements of the War economy, classified separately as to means of transportation and kinds of goods, the following has been done:

(1) With the aid of the Reich Office for Statistics, the traffic statistics have been evaluated and the results have been combined in Verfleck-Sungs-cards.

(2) The Groups of the Economy have furnished coherent reports on the individual kinds of goods.

Consideration of Transportation Requirements of Military Economy and Wehrmacht.

The transportation requirements of the military economy will be coordinated with the military transportation requirements of the Wehrmacht centrally by the Plenipotentiary in the War Transportation Committee [KTA]. A similar coordination shall be effected in the precincts of the field offices of the GB-departments together with the military agencies of the Regional Transportation Committees [BTA]. Deroutings, which are to be expected during war because of changes in the domestic and foreign traffic, will be taken into account.

Transport Situation in the Rhenish-Westphalian Industrial Regions

The General Staff has stated that the examination of the transport situation in the Rhenish-Westphalian industrial regions is of prime importance. Hence, a special investigation has been initiated in order to secure, in spite of the military use of the railways, the supplying of the population, particularly the supplying with food, of which no stores can be maintained in view of the present food situation, by transportation of supplies into the Rhenish-Westphalian industrial region in the event of mobilization. Corresponding investigations have been initiated to keep up the necessary business travel.

Ascertaining and Securing of Trucks of KL Enterprises

The Plenipotentiary, in cooperation with the Reich War Minister, has prepared directives for the securing of the requirements of the KL enterprises relative to motor trucks. As mentioned above, the trucks of the KL enterprises are ascertained by the field offices of the Reich Ministry for Economy, of the Reich Food Ministry and of the Reich Forest Office. They request the District Military Commands to release these vehicles. With a few exceptions to the contrary, the Commands of the Military Districts have not granted the requests to a sufficient extent, particularly as far as trucks with a net loading capacity exceeding one ton are concerned. The Plenipotentiary has taken up negotiations with the Reich War Ministry regarding a change of the distribution of trucks.

6. Conscription of Manpower in war

Legal Basis

The basis for the wartime conscription of manpower is the hitherto unpublished law on the German People's Service of 21 May 1935. It established conscription of the people for all nationals of the 15th until the completion of the 65th year of life, insofar as they are not called to the colors or expressly exempted from the people's service. It is incumbent upon the Reich Minister of Labor to direct the people's service. For the carrying out of his directions he may use the agencies of the Reich Office for the Procurement of Work and Unemployment Insurance.

Preparation of Labor Conscription

In order to prepare the Wartime conscription of labor, the Reich Minister of Labor and the Reich Office for the Procurement of Work and Unemployment Insurance, pursuant to directives issued by the Plenipotentiary, ascertain the available amount of manpower, the wartime requirements of manpower and measures for the covering of the Wartime needs.

Ascertaining the Available Amount of Manpower

Pursuant to the Law on the Introduction of Labor Passports the Labor Offices maintain in card-registries relative to 22 millions of workers and employees, i.e. more than 2/3 of the working population. The card-registries, which are kept up to date on the basis of information received from the enterprises, contain exact data as to the professional training, the occupation of the individual up to the present time and the existing skills. This material is supplemented by a card-registry relative to 16 millions of independent craftsmen who in war time constitute a valuable reserve of skilled labor. Similar investigations have been initiated as to leaders of enterprises and managers and as to farmers and members of their families who help on the farms. Hence, the entire population, classified according to professions, is surveyed by the Labor Offices, excepting only officials and professional men.

The card-registries of the Labor Offices are checked against the Military Conscription Lists of the Military Regional Commands and the holders of Military passports who in the event of War are called to the colors are especially marked. Furthermore, the amount of manpower employed in peacetime in R-enterprises, KL enterprises and War-essential government agencies is especially indicated. Hence, in the district of each Labor Office and for each profession there is apparent the following:

(1) the number of existing workers

(2) the number of holders of military passports,

(3) the number of men already employed in the war economy or other war-important jobs.

The difference shown constitutes the number of workers employed in enterprises of lesser importance and of other reserves, which eventually can be used elsewhere.

Ascertaining of War Requirements of Manpower

Under the supervision of the field offices of the competent GB-departments, the KL-enterprises of the industrial economy, of the food economy and agriculture and of the forest and wood economy compute their probable labor requirements in the event of war. Insofar as the mobilization-production of a KL enterprise is not yet known exactly, its peacetime production is taken as a basis for the time being. The manpower requirement in the event of mobilization thus computed is compared with the peacetime amount of manpower used in the enterprise, from which must first be deducted, however, the number of the holders of military passports. The Labor Office is notified of the result of the computation.

Covering of War Time Requirements

In principle, the manpower employed in peace time in KL enterprises and KL agencies shall remain intact. The need for replacing the holders of military passports and for the increased production in the event of mobilization will be covered by using reserve manpower (manpower theretofore used in nonessential enterprises, women etc.). As reserve manpower will be used also the skilled workers who, within the framework of the economic evacuation, have been brought back from the evacuated zones—a process in which the Labor Offices play a part and who are used in salvage zones with a great need for skilled labor. For workers who are irreplaceable for the enterprise (defense workers) the KL enterprises file with the Labor Offices applications for exceptions from the military service (Indispensability Applications). The lists of defense workers made by the Reich Labor Ministry serve as directives for the selection of those forces. The Labor Offices examine the applications and transmit them to the Military Replacement Agencies. The decision is made by the Commander of the Military Region and, upon appeal, by the Military Replacement Inspector.

The procedure, established for the scope of the Office of the Plenipotentiary has been accepted—with insignificant deviations—by the Reich War Minister for the R-enterprises and the civilian personnel requirements of the Armed Forces, by the Deputy of the Fuehrer for the mobilization of the personnel of the German National Socialist Workers Party (NSDAP), its formations and affiliated associations, the Reich Minister for Propaganda and Enlightenment for the agencies and enterprises within his jurisdiction, the Reich Traffic Minister for local traffic and inland shipping and the Reich Minister of Finance for the monopoly enterprises. Similar negotiations have been initiated with the Reich Post Department and the Reich Railway.

The agencies of the air protection, of reinforced police protection and of road construction have been directed by the competent departments to notify the Labor Offices of their requirements as to replacements of, and increases in personnel—insofar as the requirements relate to persons who hitherto were within the scope of the activities of the Labor Offices.

Negotiations are being conducted with the other agencies needing manpower (Department of the Interior, Reinforced Border Supervision Service). Their purpose is to concentrate in the civilian sector all preparations for the wartime use of manpower in one place, namely at the Labor Office, which closely collaborates with the Military Regional Command that has jurisdiction over the military sector.

Abolition of Right to Choose Domicile in the Event of War.

The planned preparation of the use of manpower in the event of war necessitates measures against freedom of workers to choose their domicile. Therefore, a completed draft of a Law on the Use of Labor and the Conditions of Labor in Times of War makes every change of the working place and every hiring of workers dependent upon the consent of the Labor Office. The law also provides that, in the event of war, wages and salaries may not be increased; thereby it shall be prevented that higher wages and salaries cause changes of the place of labor. At the same time it is intended to stabilize the price level by freezing wages and salaries.

Relaxation of Provisions on the Working Hours and of the Prohibitions to Employ Certain Persons

In view of the labor shortage which must be expected with certainty in the event of war, a completed draft of a decree relaxes, in the event of war, the existing limitations on working hours and renders ineffective the prohibition to employ women and juveniles insofar as this can be justified in contemplating the nation in its entirety.

Local Protection

A decree on the Housing of Individuals and Families regulates the transfer of manpower which is inevitable in war in connection with the planned direction of labor. For the same reason there have been enlarged for the case of war, the provisions relative to the granting of travel expenses, work equipment and family allowances for double households, which shall facilitate the employment of workers coming from other places.

7. War Finance and Money Economy

War Finance Requirements

The Reich Finance Minister estimates that the financial war requirements for the first year of war will amount to approximately 50 billions of Reichsmark.

Covering of War Finance Requirements

The covering of the War finance requirements must be effected by taxation and loans, as far as the war economy cannot be limited to self-financing.

Self-Financing of War Economy

Enterprises which have to perform mobilization-contracts and contracts for delivery of war goods shall cover their financial needs primarily out of their own resources or by way of regular private loans. Wherever this is not possible the leaders of the enterprises will be afforded the possibility of obtaining credits for operating and investing purposes by the issuance of Army Bonds (Securities payable to the bearer which may be lombarded). Through these securitites the Reich assumes the role of a surety.

War Taxes

Insofar as the war economy cannot be requested to rely on self-financing, it is attempted to cover the financial war needs primarily by means of war taxes. A completed draft of a law provides for the following war taxes:

Additions of 50 percent to the Income and Wage Tax,
Additions of 62 percent to the Corporation Tax
Additions of 8 percent to the Increased Wage Income,
Addition of 30 to 100 percent to other Increased Income
Additions to 200 percent to the Property Tax.

The entire revenue to be derived from these war taxes, it is estimated, will amount to approximately 5 billions annually.

War Loans

Since the planned war taxes will cover only a fraction of the financial war requirements, it is provided that they will be supplemented by war loans, the issue terms and price of issue of which even in case of war will depend on the economic and political situation existing at the time. Hence it is probable that large demands will be made upon the Reichsbank for the discontinuance of Treasury Notes. Preparations have been made to make possible the enlargement of the credit volume by amending the Banking Law.

Restrictions on Traffic with Money

In order to secure the credit economy and to prevent withdrawals caused by fear in one of war, regulations have been prepared providing for restrictions on withdrawals and for bank holidays.

Securing of War-Important Money Requirements

Since most war expenses are made without the use of cash the increase in the quantity of cash is only a fraction of the entire financial war requirements. This increased need for money tokens amounts for the first three war months according to an investigation relating to 1937/1938 to the following:

Need of Wehrmacht (reported) approx 3 billions RM	
Need of Civilian Administration (reported) approx	0.4 Billions RM
Need of Economy (estimated) approx	1.5 Billions RM
So called panic Needs (estimate) approx	0.7 Billions RM
Total approx.	5.6 Billions RM

To satisfy those needs there is at our disposal, in addition to the usual amount of current legal tender which at present exceeds 7 Billions of Reichsmark the reserve of money tokens in the amount of 13.5 billions of Reichsmark which is in the custody of the main office of the Reichsbank and of the Reichsbank Offices at the places where it is needed.

IV.

Final Remarks

Since its establishment in 1935, the agency of the Plenipotentiary for the war Economy, just as the Reich Defense Council as a super-ministerial office directing the preparations for mobilization, has been treated as a secret. Since all of the great powers have created similar forms of organization during the last years, secrecy is at present no longer of the same importance as in 1935. It should be considered whether, on some suitable political occasion, the Fuehrer should announce the existence of those forms of organization, which the foreign government naturally assume to exist after, in addition to the Plenipotentiary, the Reich War Minister and the Reich Foreign Minister have furnished opinions relative to the effects of such an action.

(signed) WOHLTHAT

TRANSLATION OF DOCUMENT EC-261

Top Secret

Berlin W 8, March 14, 1938
Behrenstr. 43

The General Plenipotentiary for the War Economy
GB 468/38 g.Rs.
To:

a. the Reich—and Prussian Minister for Economy
Attention: Ministerialrat Godlewsky or his deputy.

b. the Reich—and Prussian Minister for Food and Agriculture
Attention: Ministerialrat Dr. Dietrich or his deputy.

c. the Reich—and Prussian Minister for Labor
Attention: Ministerialrat Schroeder or his deputy.

d. the Reich Forest Master and Prussian State Forest Master
Attention: "Oberlandforstmeister" Hausmann or his deputy.

e. the Reich Minister for Finance
Attention: "Ministerialrat Geheimrat" Dr. Bender or his deputy.

f. the Board of Directors of the Reichsbank
Attention: "Reichsbankdirektor" Dr. Mueller or his deputy.

g. the Reich Minister and Chief of the Reich Office for Regional Planning
Attention: "Regierungsrat" Dr. Schepers or his deputy.

Berlin

For information:
To

a. Ministerpresident Generalfeldmarshall Goering, Representative for the Four Years Plan
Attention: "Ministerialrat" Bergbohm or his deputy.

b. Reich Minister of Foreign Affairs, (Foreign Office)
Attention: "Legationsrat" Von Schmieden or his deputy.

c. Reich—and Prussian Minister of the Interior
Attention: "Ministerialrat" Dr. Danckwerts or his deputy.

d. High Command of the Wehrmacht
Attention: *aa.* Generalmajor Thomas (Major General)
bb. Oberst Jodl (Colonel) or their deputies.

e. Reich Minister of Justice
Attention: "Ministerialrat" Haastert or his deputy.

f. Reich Post Minister
Attention: "Ministerialrat" Schroeder or his deputy.

g. Reich—and Prussian Minister for Transportation
Attention: "Ministerialrat" Pigge or his deputy.

h. Reich Minister for Enlightenment and Propaganda
Attention: "Staatssekretaer" Hanke or his deputy.

i. Reich Minister for Aviation (Luftfahrt) and Supreme Commander of the Air Force
Attention: Major D. G. Erdmann or his deputy.

k. Reich Minister for Science, Education, and Culture
Attention: "Ministerialdirektor" Dr. Kruemmel or his deputy

l. Reich Minister and Chief of Reichskanzlei
Attention: "Reichskabinettsrat" Dr. Willuhn or his deputy.

m. General Inspector for the German Road Construction and Conditions
Attention: "Regierungsbaurat" Henne or his deputy.
Berlin

After the Fuehrer and Reich Chancellor appointed me as General Plenipotentiary for the War Economy and the "Staatssekretaer" for Special Assignments Dr. Posse as Deputy General Plenipotentiary for the War Economy, I appointed "Ministerialdirektor" for Special Assignments Sarnow as Chief of the Executive Staff "G.B." (General Plenipotentiary).

I request that letters for the General Plenipotentiary for the War Economy be directed to the following address:

To
Executive Staff "G.B." (General Plenipotentiary)
Attention: "Ministerial Director" Sarnow or his deputy
Berlin W 8,—Behrenstr. 43.

The circular letter of January 12, 1938—GB 58/38 g.Rs.—is herewith rescinded.

Heil Hitler!
(signed) Walther Funk.

Verified: Holloender, Secretary

Note
concerning the draft of a decree on the confiscation of private Polish property.

A. The proposed decree must not be considered without regard to its relation to the decree on the treatment of enemy property of January 15, 1940:

1. The treatment of enemy property has been regulated in the decree of January 15, 1940 notwithstanding the issuance of special regulations with regard to the private Polish property. The contents of the decree of 1/15/1940 have been discussed in detail in committee conferences with particular respect to

a. its repercussions on German property abroad and

b. the proper consideration of neutral interests within the frame of the German economic war aims.

Therefore, the decree of 1/15/40 is characterized by the principle of special cautions as to the measures against enemy property.

2. Since measures against the Polish private property are considered by the enemy as measures against the subject of an allied power, such measures would amount to the abandoning of the precautionary policy exercised thus far, because they go far beyond the principles of the decree of 1/15/40, and would cause countermeasures against the German property in enemy countries.

3. Therefore, it will have to be examined in detail by the committee engaged in the carrying out of the decree of 1/15/40, whether the proposed decree will be in accord with the aims and purposes of the decree of January 15, 1940.

B. Moreover, the proposal meets with the following objections from the political and international law point of view:

1. The proposed decree discriminates openly between German and Polish property, allows the confiscation of Polish property without any actual compensation and makes it possible, in the process of liquidation of business enterprises, to satisfy creditors rights not in accordance with their legal priority but on the basis of political consideration. Statutory provisions of that kind will be welcome means for enemy propaganda as documentary proof of the alleged German extirpation plans.

2. The absolute preservation of enemy private property on land is an established principle of international law. Especially is it illegal:

a. Generally to confiscate enemy private property for the benefit of the confiscating country.

b. Not to pay an actual compensation.

c. To treat enemy property rights contrary to the statutory provisions regarding their priority in relation to the rights of their own countrymen.

Such measures must lead to similar countermeasures by the enemy against German subjects and German property abroad. It was one of the aims of the decree of 1/15/40, to avoid such repercussions.

3. As far as the decree shall be used in the annexed east territories, in the opinion of the enemy, are "occupied enemy territories", so that, according to the Hague Regulations on land war, any expropriation of the inhabitants is prohibited, and a requisiton is not allowed without compensation and then only for the needs of the occupying troup. Any measures in violation of these principles may result in retaliatory measures by the enemy.

4. Sect. 2 Para. 2 makes possible the requisition and confiscation without compensation or the liquidation of enterprises, in which not only Polish but also neutral interests are participants. The decree regarding the treatment of enemy property of 1/15/40 provides compulsory administration of enterprises dominated by enemy influence only by judicial decree upon application of the Reich Commissioner for enemy property and under supervision by the court; the decree avoids any semblance of an intention to liquidate enemy or neutral rights and is based upon respecting the property rights of all persons concerned. It is inadvisable to administer Polish controlled enterprises by a different organization and by applying principles other than those laid down in the decree of 1/15/40. It would be desirable to treat such enterprises analogously to enterprises encompassed by the decree of 1/15/40.

5. The violation of international law by the proposed measures, which is admitted in the statement of considerations to section 1, is not cured by the fact that one would enumerate for purposes of confiscation only certain designated categories instead of Polish private property as a whole, because these categories would in effect constitute the entire Polish private owned property.

C. It is, therefore, urgently suggested, for political reasons as well as for considerations of international law, not to issue the proposed decree in the present form.

Telegram (Open Text)
Paris, 1 October 1940 21.45 hrs.
Received: 1 October 1940 22.00 hrs.
No. 740, 1 Oct. 1940

The solution of the Jewish problem in the occupied territory of France requires, besides various measures, a regulation as soon as possible of the citizenship status of Reich German Jews who were living here at the beginning of the war regardless of the fact that they might have been interned or not. Heretofore the individual procedure of expatriation was based on Paragraph 2 of the Law from 14 July 1933 and refers only to actual violations of the duty of loyalty without considering racial membership. Suggest for the future a collective expatriation procedure for the occupied territory of France based on lists made here in agreement with Hoheitstrager (High Party Leaders) in which should be listed primarily the members of the following groups:

1. Jews, so called ex-Austrians, that is, those who according to Circular [Runderlass] from 20 August 1938—R 17 178 did not change their Austrian passports for German passports before 31 December 1938.

2. Those Reich German Jews who by neglecting their duty of registration [Meldepflicht] violated Paragraph 5 of the Law for Registration Abroad [Auslandsmeldegesetz] from 3 February 1938. Measures requested above are to be considered only as a first step for the solution of the whole problem. I reserve for myself further proposals. Request telegraphic acknowledgment.

Abetz.

Prepared in 19 Copies.
From these have been sent:
No. 1 to R (Arb. St.)
No. 2 to RAM (Reich Foreign Minister)
No. 3 to S.S. (State Secretary)
No. 4 to Chef AO (Chief of Foreign Branch NSDAP)
No. 5 to BRAM (Plenipotentiary of Foreign Minister)
No. 6 to U.St.S. Pol. (Under State Secretary Political Div.)
No. 7 to U.St.S. Recht (Under State Secretary Legal Div.)
No. 8 to Dir. Pers. (Director Personnel)
No. 9 to Dg.Pol. (Dirigent Political Div.)
No. 10 to D.W. (Director Economic Div)
No. 11 to Dg.W. (Dirigent Economic Div)
No. 12 to Dg. Recht (Dirigent Legal Div)
No. 13 to Dir.Kult. (Director Cultural Div)

No. 14 to Dr.Kult. (Dirigent Cultural Div)
No. 15 to Dir.Presse (Director Press Div)
No. 16 to Dir.Deutschld. (Director Germany Div)
No. 17 to Dir. Prot. (Director Protocol)
No. 18 to Pers. Stab Hewel (Personal Staff (Hewel))
No. 19 to Landerref.pol. (Referent for France in Pol. Div.)

TRANSLATION OF DOCUMENT EC-267

Wi Z 1/I c

10.9.42.

Report on Economy by the Military Commander, France. Wo
Administrative Staff dated 1.2.42
Wi I 580/42 secret
No 9210/42 secret. [pencil note]

The development and position of *French Industry* in the area of the Military Commander, France in the year 1941.

The manufacturing and production capacity of French industry which, at the armistice, had large supplies of raw materials and finished goods at its disposal, has, to a very great extent, been made to serve German war-production; it has rendered valuable service to the Reich and to the Armed Forces by raising considerable quantities of goods and sums of money as well as by placing a considerable output at their disposal.

By drawing extensively on the available reserves of workers, particularly by eliminating unemployment almost completely and lengthening working hours to over 40 in numerous factories, it has been possible to obtain the workers necessary to carry out the large scale shifting of orders and, even in the year 1941, also to transfer more than 125,000 workers to the Reich. These were, for the most part, trained specialists more than half of whom were specialists in metals which are of such special significance to German armament. These successes must be rated the higher since they were achieved under the difficulties which befell French industry due to the loss of prisoners of war—among others, 25,000 forestry and wood workers, as well as 600,000 farmers and agricultural labourers.

In spite of the difficulties resulting from the increasing shortage of various raw—and auxiliary materials and from a necessary reduction of the assignments of coal and power for production, it was possible, up to the beginning of winter 41/42, to bring the industrial production capacity of the occupied French territory to a peak and to obtain the maximum production in the interests of German war-economy by an effective concentration of French industry on the production of war-essential goods. In order to achieve this, the control of factories and orders was intensified and supplies of the necessary raw-materials, auxiliary materials and plants to all indispensable factories were assured. This enables production in armament factories and V.A. factories —all supply and primary products factories and work on the first stage of manufacture as well as factories working predominantly for Germany or on some vital French requirement which is in Germany's interest—is uninterrupted even if the supply of coal, power and raw material is held up by weather or enemy activity or should other difficulties arise. As an example of the successes of the intensified control by the offices of the war-economy organization, the increase in the supply of iron ore can be taken, in spite of several set-backs in December 1941, it reached the highest figure for supplies to date since the reopening of the mines so that it was impossible to deliver considerable quantities of iron ore not only to the French forges but also to Belgium, Holland and to the Ruhr forges.

At the same time, through this increased factory control, which covered not only the main order but also advance and part deliveries, it was possible to expedite the completion of German orders and to increase the deliveries. The shifting of orders is of quite considerable significance to German war-economy. Since the armistice, German orders amounting to 4.5 milliard RM have been placed in France.

In December 1941 alone, the orders shifted and approved by the Central Order Office amounted to approx 207 million RM. A German debit balance of 900 million RM in the Franco-German trade-account has already arisen from the shifting of orders and from other multilateral deliveries by French industry, a not inconsiderable preliminary achievement on the part of French industry in the German interests. The iron-alloys required to execute these large orders have all been taken over from French supplies that is, used from French factories without Germany returning them for completion; this considerably relieves the German supply situation in this sphere.

Furthermore, valuable service has been rendered to German war-economy by making available extensive French supplies of goods of all kinds. Taking only iron, the French contribution amounted to nearly 5 million tons (equal to 73% of the yearly amount used in France). In the year 1941, approx 48,000 tons of copper, 9,000 tons of lead, more than 2,000 tons of tin and nonferrous metals were transferred to Germany and a further 14,000 tons of copper as well as considerable quantities of other nonferrous metals, were made ready to be transported to Germany. Even unoccupied France took part in supplying Germany with metals by the delivery of 200,000 tons of bauxite, 32,000 tons of pure aluminium, 26,000 tons of argillaceous earth and 2,000 tons of magnesium.

These figures mean that the following, in either crude or processed form have been put at the disposal of German War Economy, since the signing of the Armistice up to July 1942: 225,000 tons of copper (80% of the existing French copper supplies) 49,000 tons of lead (60% of the lead supply) 9,000 tons of tin (85% of the tin supply) and 5,700 tons of Nickel (86% of the nickel supply). In addition 55% of the French aluminum production is gradually being delivered to Germany as well as 80% of the Magnesium production.

The French engine and vehicle industry has also been harnessed to work predominately for Germany. In this way the total production of locomotives, the greater part of the machine tools and a large number of goods-wagons, lorries and cars have been delivered to Germany. The textile section shows a similar picture of the way in which French industry has been utilized to a far reaching extent to the advantage of the Reich, 71,000 tons of wool, 64,000 tons of cotton, 70,000 tons of rags and further quantities of linen goods, cellular wool and artificial silk being delivered to the Reich. France retained only 30% of the normal production of the woolen industry, 16% of the cotton and 13% of the linen production, for her own use.

In the agricultural sphere it has also been possible to relieve the German war machine of a considerable burden by means of supplies from France, after overcoming considerable difficulties which proved inevitable in connection with agricultural production as a result of unfavourable weather conditions, shortage of labour, power, fuel, manure and phosphates. French agriculture produced the following foodstuffs for Germany and/or the Armed Forces during 1941: over a million tons of wheat and oats, 11 million tons of hay and straw, 160,000 tons of meat and large quantities of fruit, vegetables, wine and pickled fish and at the same time provided Alsace-Lorraine with wheat, meat and vegetables. The delivery of 53,000 tons of edible oils is also worthy of note in this connection.

The difficulties arising as regards transportation, which resulted from the withdrawal of rolling stock, in particular locomotives, and the removal of coal stocks in order to carry out the necessary transportation, could be neutralized to a great extent by methods of organization and well thought-out planning. The appointing of the OKH-Commissioner for the planning of transportation made it possible to coordinate the demands made by industry on transportation and the transport facilities available, and to deal with an unexpected amount of traffic both on the Railway and Inland Waterways.

TRANSLATION OF DOCUMENT EC-283

The States—and Prussian Minister of Economics

Berlin W 8
Behrenstrasse 43
26 August 1937

Very Honored Mr. Minister president!

From your letter of the 22nd of this month I gather the verification of the fact that fundamental differences exist in our economic policies, which I hope will induce the Fuehrer to place the further direction of economic policies solely into your hands. I may leave aside, just as you are doing, mention of any details. To me it does not seem to be of decisive importance to raise questions of competence and initiative, but it is of decisive importance that the Fuehrer's economic policies should be carried out in a coherent manner and with the least amount of friction.

A transcript of this letter is being presented to the Fuehrer and to the State Minister of War.

I remain, very honored Mr. Ministerpresident

with Heil Hitler
Yours sincerely
(signed) Dr. Hjalmar Schacht

To Mr. Ministerpresident
Colonel General Hermann Goering
Berlin W 8
Leipziger Platz 11 a.

COPY

Reich and Prussian Ministry
of Economy
General Consultant

Berlin, W. 8, 2 April 1937
Behrenstr. 43
Telephone: A6 4351

Please refer to above heading and subject
in future correspondence

Secret

My dear Colonel,

Herewith enclosed I send you privately a copy of a letter written by President of the Reichsbank, Dr. Schacht, to Prime Minister General Goering, for your confidential information.

Heil Hitler!
Very truly yours,
[signed] Blessing.

To Colonel Thomas,
General Staff Corps.

To Prime Minister General Goering
Commissioner for the Four Year Plan. 2 April 1937.

SECRET

My dear Prime Minister:

You were kind enough to send a letter to me, dated March 24, written by the Reich Commissioner for price control to you, in order that I may voice my opinion. I return this letter herewith and desire to make the following comments:

I fully agree with the Commissioner for price control that we should exploit by all means the present chances for export trade. Further, I agree with him when he says that "Germany at present does not take nearly sufficient advantage of the present situation in world trade, either to the fullest possible extent or with the greatest possible energy". As a matter of fact the obstacles which the world trade presented to the German export trade in the past, have become much fewer, particularly in the last few months. Caused by the international armament boom the purchasing power of the raw material producing countries has markedly increased and their desire to purchase industrial investment goods and finished products has risen. Long planned building projects like constructions of railroads, electric power plants, foundries and rolling mills, new construction or enlargement of factories, replacements of plants, long delayed during times of crises are now being carried out everywhere speedily. As a result, the prices for a number of German export products have risen considerably. This is especially true for products of the iron producing and foundry industries, for machine tools, special products of the precision type and optical instruments, as well as for the sale of cellulose and for mills producing paper. These signs of revival on the world market, however, do not concern at present the products of the glass, ceramics, wood products, by far the largest part of the iron and sheet iron and metal products (hardware) industries, textile and clothing, large fields of machine construction, especially textile machinery and paper producing machinery. The same applies for great investment transactions for which strong international competition exists since countries which usually compete for such items on the world market, such as Italy and Czecho-Slovakia, use their unutilized capacities exclusively for export purposes.

If, therefore, in the face of such developments on the world market, the value of German export has not increased more, then the reason is not, as the Reich Commissioner for price control assumes, that my export policy was not adopted fast enough to a new situation; on the contrary the fault lies with handicaps of a decisive nature which the German export industry experiences from within. I do not wish to burden you, my dear Prime Minister, with particular instances, of which I could cite many, but I would like to confine myself to a short description of these handicaps:

a. German economy brought into high gear through armament and the Four Year Plan very frequently induces the German manufacturer to neglect exports in favor of lucrative domestic business with risk.

b. Although the supervising agencies under me have strict orders to give priority in the distribution of raw material destined for export shipments, the lack of raw material for export orders becomes more and more noticeable. In many cases it does not help the firms engaged in the export business if they merely get the raw material required for an immediate foreign order, because they cannot break even without having at the same time domestic business for which raw material is not available in sufficient quantities. A further point is that in the industries which make semi-manufactured goods or parts, it is impossible to ascertain whether the raw material contained in such parts is destined for foreign or domestic markets. In these industries, therefore, special raw material difficulties appear which make the exportation of the final product more difficult.

c. Armament and Four Year Plan have absorbed so many skilled workers that an extraordinarily serious lack of suitable labor has arisen for the production of articles for export. This applies especially to those industries which have the greatest chances to export.

d. Extent and urgency of army orders and recently also of the orders for the Four Year Plan have taxed the capacity of the German industry to such an extent that for the fulfillment of export orders insufficient or no facilities at all remain.

As a result, German industry has to delay delivery for export to such an extent that foreign buyers prefer to buy in Switzerland, Sweden, Belgium, the United States and Czecho-Slovakia. Frequently time of delivery agreed upon cannot be kept, a fact which must destroy the confidence in the German businessman as to his desire and capability to deliver the goods.

Aside from the export difficulties already mentioned, doubts have recently arisen with firms engaged in the export business as to whether the point of view always represented by me, namely that export business has priority over domestic business, was still valid. The Office for German Raw and Synthetic Material has recently repeatedly expressed the opinion to a large circle of business men that the principle of priority supply for export shipments which was in force until now and has been formerly acknowledged by you in the Inner Cabinet has been abandoned or would not be enforced any more to its fullest extent. Aside from the fact that such contradictory orders cause uncertainty and unrest in economic life, it is obvious that a number of firms see in the opinion of the Office for German Raw and Synthetic Material a welcome opportunity to refuse export orders which are less desirable on account of the greater risk and effort involved.

If I understand the letter of the Reich Commissioner for price control correctly, he seems to be of the opinion that we have accepted lower prices for our export products than we could have achieved with the prevailing tendencies of increasing prices in the world market and through this the proceeds of foreign exchange have been reduced. May I first of all state that it is incorrect that there is a scarcity of goods practically all over the world. As I have already explained, the boom is different in various categories of goods. Whereas in some categories, as for example in semi-finished iron parts, machine tools, precision instruments, optical products and cellulose, as well as in paper products, there exists a definite scarcity, there has been no boom in a number of other export goods. Therefore, one cannot generalize the boom which is most intense in very important fields, and it would be wrong to assume that in a short time the prices in foreign markets would generally surpass the German domestic prices. To cite an example, may I point to the fact that the unutilized capacities of the English and Japanese textile industries are still exercising a constant pressure upon the textile markets of the world.

In all fields where tendencies of increasing prices were noticed, I took immediate steps in order to obtain higher prices for our export goods. You will know, Mr. Prime Minister, that in 1935 I set up a price control agency for each export group, altogether 25, whose main duty it is to secure the highest prevailing prices for German export goods. These control agencies constantly watch over the export, compare the prices, and report about possible changes of export subsidies. Thanks to the activities of these control agencies, the customary cut price policy by German exporters competing against each other has been limited to the lowest possible extent. Only with the help of the control agencies was it possible to give that flexibility which was necessary in order to adjust constantly the prices in accordance with the price developments of the world markets. Due to our extremely scarce foreign exchange situation, we could however not afford to change the German export prices abruptly, because we must avoid by all means even a temporary stoppage of our exports. Nevertheless, we have, in all fields in which price increases were noticed or could be expected with some certainty, cut or even cancelled the subsidies without delay. Just to cite a few examples, in August 1936 the export subsidies for pile-planking iron were reduced from 24% to 10%, on 31st October 1936, the subsidies for ship profiles from 17% to 8%, on 24th November 1936, the rates for grooving machines, free-form-forged-prices and quality bar iron from 26% to 15%. In the last few weeks, the subsidies for the entire iron producing field (plates, pipes, mine tracks and so forth) have been considerably reduced, or even cancelled. In the same manner have subsidies been considerably reduced or cancelled in the field of the machine industry, and especially where it was at all possible likewise in the field of special products of precision and optical industries. Compared to this, the possibilities for reductions of export subsidies in the field of the iron, sheet iron, and metal goods industries (finished goods) and the ceramic industries have been insignificant. For automobiles a reduction was not yet possible at all because the foreign automobile manufacturers have not yet raised their prices. When the Reich Commissioner for price control says that there is "not enough pressure applied against the entire export industry", then I would like to retort that in my opinion there is no better pressure than the fact that the exporter profits by his export business. This principle has of late conquered even the food-administration. Unfortunately, it happens frequently that the export prices, despite the improvements in various fields, cannot compete with the prices which are paid by the Army for their orders. Due to the fact that export subsidies are paid on the amount received from exports, the present system offers already an incentive for the exporter to get the highest possible foreign prices because thus he receives higher subsidies. Furthermore, the export prices unfortunately do not increase so generally and not to that extent above the domestic prices as supposed by the Reich Commissioner for price control, because in that case no pressure would be necessary in order to induce the German exporter to export and get bigger prices. Apart from the pressure already applied by the apparatus of the control agencies, I cannot see what kind of pressure could yet be invented in order to help the exporters to receive better export prices.

Although I do not quite agree with the Reich Commissioner for price control in regard to the export price question, I understand and share the deep concern which the Reich Commissioner for price control entertains with regard to the future German export developments. Rearmament and the policy of procuring employment up to the end of 1936 have been made possible by trade-political measures (new Plan), by decreasing non-essential imports in favor of essential imports, and in addition, by the stocks in hand and by imports of raw materials which were much larger than formerly. This policy was also successful because the extraordinarily good harvest in 1933 and the average harvests of 1934 and 1935 did not necessitate extraordinary imports for food purposes. The continuation of the armament policy and the execution of the Four Year Plan, which makes considerably larger demands for raw material than the procurement of employment policies of the years, 1933/1936 were jeopardized by the end of 1936 because on one hand the domestic stocks of raw materials were exhausted and because furthermore the imports from abroad, despite favorable results from exports, were not large enough to satisfy the increased demands.

At this moment, in accordance with your instructions, it has been undertaken to draw upon the substance of the German property abroad, with the aim of furthering the armament program and of carrying out the Four Year Plan. You, most honored Prime Minister, proceeded in this matter from the consideration that the decrease of Germany's foreign requirements would be vindicated by the fact that the German economy would strengthen its self-sufficiency by the investments to be provided by the Four Year Plan. To this let me remark that in spite of the increase of internal raw material production, the import requirements frequently do not only become less but become greater. Thus, in spite of the increase of internal production of light motor fuels from 570,000 tons in the year 1933 to 1,240,000 tons in the year 1936, the import of 922,000 tons (1933) rose to 1,208,000 tons (1936) because consumption rose from 1,491,000 tons (1933) to 2,448,000 tons (1936). The figures for crude oil (Gasoel) are the following: internal production 1933—60,000 tons, 1936—110,000; import 1933—490,000 tons, 1936—1,125,000 tons; consumption 1933—550,000 tons, 1936—1,235,000 tons.

The resort to German foreign property values has up till now had the following results:

a. Foreign exchange receipts from sale of securities	130 million RM
b. Gold intake	25 million RM
c. Speeded up collection of outstanding export and import claims from capital shares	227 million RM
Total:	382 million RM

Up till now this sum has been disposed of as follows:

a. For the total food sector	153 million RM
b. For the industrial sector to cover the most pressing need in the first half year 1937	173 million RM
c. For the return of land arrears, Spanish observation committee (Spanischer Ueberwachungsausschuss) pp.	21 million RM
Total:	347 million RM

There is, according to this, a balance of 35 million RM.

The comparatively favorable results which were achieved during the last few months in the collection of foreign property values must not lead one beyond that, apart from the fact that the possibilities still existing here are no longer very great. At first the more easily realizable stocks were called upon, in order to achieve quick results; in addition the speeded up collection of outstanding export claims means that later continuous foreign exchange returns are decreased by the earlier deductions. I do not share the conception that one could achieve higher amounts by a legalized confiscation of foreign securities. To be sure, the securities can be transferred by confiscation into the hands of the Reichsbank or some other agency; but the possibility of their disposal in foreign countries is more likely to be reduced by the foreign countermeasures which are to be feared, particularly those of our creditor nations.

At the present tempo and rate of foreign exchange consumption, the proceeds from previous special collections will be used up at the latest by the end of 1937, to which the partially exorbitant increase of raw materials contributes decisively. At this I completely disregard possible unexpected events which could occur in the food sector. Thus, toward the end of 1937 we will have reached a situation in which we can fall back neither upon inner raw material supplies nor upon receipt from foreign property values of the German people. Then we are forced to derive the necessary import requirements only from the proceeds of our export activities, that is, we can carry out only as much of our programs as remains on hand after deduction of the necessary food requirement, for the import of industrial raw materials from export proceeds. The decisive problem is therefore the export problem.

As I have already set forth above, the possibility definitely exists for Germany, from the point of view of the world market, to considerably extend her exports at comparatively good prices at the expense of her competitors—here I entirely agree with the Reich Commissioner for prices—and thereby decisively to better her current foreign exchange and raw material situation, and in fact, much more as the ability of our competitors to deliver is considerably impaired in exactly those spheres which have been cornered by the world boom by preoccupation with its own armament. This applies particularly to Germany's main competitor: England.

These unusual possibilities for export, existing perhaps only for a comparatively short period, cannot be taken advantage of by Germany under the present circumstances because the internal obstacles to German export set forth above stand in the way.

In the present situation, lately made more acute by the fact that individual instructions have been issued by the Office for

German Raw Materials and Synthetic Materials, as well as the procurement agencies of the branches of the Wehrmacht, to the effect that export orders are to be postponed, one must consider that export chances in the world market not only cannot be taken advantage of, but that on the contrary, one must count on a decrease of German export in the second half of 1937. [pencilled marginal note by Keitel: "this would be very regrettable!"] I therefore have fears that export proceeds and therewith the possibilities for imports will become less at the same moment that incomes from foreign property values will no longer be available. I do not have to emphasize that by such a development not only the carrying out of the Four Year Plan is jeopardized, but that the continuation of armament is made questionable, and in fact that much more if the result of the next harvest should make larger import requirements necessary. That such a development would influence the freedom of our foreign political dealings is self-evident.

I therefore emphasize, just as the Reich Commissioner for prices, my conviction that we should take advantage of the chance offered to us by the world market. I am therefore of the opinion that we should promote our export with all resources, by temporary decrease of armament, and that further, with reference to the Four Year Plan, we should solve only those problems which appear the most pressing [pencilled marginal note by Keitel: "But we are doing that already!"] Among these I include the gasoline program, the buna program, and the program of developing internal resources of ores, insofar as this development does not of itself require large amounts of raw material which must be withheld from export.

On the other hand all other measures of the Four Year Plan should be postponed for the time being. I am convinced that by such a policy, our export could be increased so greatly that our exhausted stock-piles would experience a certain improvement and that the resumption of a strengthened armament would again be possible in the not-too-distant future from the point of view of the raw material situation. To what extent a temporary postponement of armament would have military advantages, I am unable to judge. Yet I would suppose that such a pause in armament would not only have advantages for the training of officers and men, which has yet to be done, but that this pause would afford an opportunity to survey the technical results of previous armament and to perfect the technical aspect of armament.

I would be thankful, most honored Prime Minister, if you would consider present developments from these viewpoints.

Heil Hitler!
Your respectful
(Hjalmar Schacht).

To President Dr. Schacht with the request for acknowledgment.
[signed] GOERING

Prime Minister General GOERING
Commissioner for the Four Year Plan
Reich Commissioner for Price Control
T.—Nr. pers.

Berlin, W. 8, 24 March 1937.
Leipziger Platz 7.

Prime Minister General GOERING
Berlin W 8
Leipziger Strasse 3

PERSONAL!

Honorable Prime Minister!

On the occasion of the last conference accorded me, on Wednesday, the 17th of this month, I referred to the question of export, and along with it our faulty methods of action. In almost every general council meeting since the middle of November, I have called attention to the price development of the world market and continuously pressed the gentlemen of the Ministry of Economy, to take advantage of the openly changing situation with stress, for the benefit of the German export and a completely substantial increase of our export price. Unfortunately I had time and again to observe along with the gentlemen of the R.W.M. also in other various kinds of transactions, that they didn't believe the opening developments of the world market would last for any length of time, and for that reason they took a hesitating attitude, which, according to my opinion, did not contribute to Germany's advantage in the export price.

In the meantime they have changed in the Ministry of Economy to a certain degree and try now to catch up with export prices.

My latest findings, which on my part are never based on theory, but are explained by facts, have strengthened by conviction that the present situation of the world market is not being taken advantage of to the full extent and with all possible energy on the part of Germany. It is beyond doubt that in the whole world, scarcity in nearly all goods prevails and at present prices are offered which only a few weeks ago were believed to be impossible. I do not mean to include in these prices the prices for products which are needed everywhere. At the present we are no longer very far removed from the moment in which the prices for goods on the world market will exceed our prices within Germany. This fact already is beginning to appear variously. Thus a German export deal for paper to the Far East at the price of about 24 RM for 100 kg was concluded while the normal price within Germany is around 20 RM or 21 RM.

The various gentlemen who have been active in export for years and whom I know as extraordinarily active confirm to me continuously that we are very well in the position to drive up our prices for finished goods to be exported.

In my opinion, this demand will not be realized to the full extent on all sides because sufficient pressure does not stand behind the entire exporting industry and because appropriate measures are not used.

In this case our export subsidies play a very important role. As you well know the difference between the domestic price and foreign price striven for in the export is paid to the export firm through this subsidiary agency. With all its disadvantages which are necessarily brought about in such a procedure, it was without doubt desirable in the past.

Today we must change this procedure according to my opinion, slowly and surely and with a steadily increasing tempo. Pressure must be exerted on the exporting firms, to force them to agree on prices for the goods, which as soon as possible must be adjusted to our normal domestic prices.

Even though I may not be able to present in this letter these matters in their entirety, which must be considered here, I nevertheless believe I have made it sufficiently clear as to the way with which they must be dealt, in order to extract the utmost for Germany from the present world market development.

I am convinced that in this manner we may attain many millions more foreign currency.

In this connection I think it necessary to point out a second train of thought, time and again defended by me. We must succeed in repressing home consumption in several fields, thereby freeing goods for an increased export with energetic leadership and continued pressure on the economy in the next 6 months, which will be for our benefit towards the end of the year and during the year 1938 in the form of great gains in foreign currency, and which will then place us in a position to buy the products needed for Germany against cash on the world market. According to my reckoning, one will be able towards the end of this year to buy foreign currency for cash everywhere, because the present boom in quantities and prices naturally will cause an expansion of production of raw materials, etc. If the unexpected rise of today goes down in the coming year, contrary to expectations, it would only be a gain for us, because then we would be able to buy at considerably better terms with our great foreign currency surplus of this year.

If I speak of the restraint of domestic consumption for some goods, I cite in this respect as an example our present paper consumption in Germany. From the year 1935 to 1936 our domestic consumption of paper per capita has risen from 29.76 kg to 33.27 kg, even though the consumption of paper for the press, on the other hand, in 1932 and other years still stands at 10—12% lower. We can today strive for prices for paper—as already mentioned above—which are better than our domestic prices. I have presented two vital points in general with these representations, which must receive the strongest consideration on the part of Germany, and should influence most strongly our political trade position with respect to export in order that we can make use of a situation in 1937/1938, which today no one indeed can overlook. On concluding I still deem it necessary to mention something. The present price development, which is also set before all things for finished goods on the world market to a great extent, will last longer because England too is extraordinarily interested in this. In this way England wants to reduce her cost of rearmament to a great extent. She has always bought her raw materials for this and perhaps also for the next year, in as much as they were accessible at all, for foreign currency at substantially more favorable prices, and has assured herself priorities and attained gains by means of the highest possible prices for half-finished and finished goods, which substantially ease the total mobilization costs. Today it is presumed by all that there will be a longer duration of the present development, because of which we must prepare appropriately, as far as export is concerned, for more than a full year.

Heil Hitler!
Your very obedient
[signed] WAGNER
(Gauleiter JOSEF WAGNER
—Reich Price Commissioner 1936/42)

TRANSLATION OF DOCUMENT EC-293

Berlin, 24 December 1935.
Behrenstr. 43.

The Reich and Prussian Economics Minister

SECRET COMMAND MATTER

To the Reich War Minister:

From letter Aktz. 66 b 9950 W wi (II a) of 29 November I gather that an increased Wehrmacht demand for copper and lead is anticipated, and that to about double the previous consumption. This concerns only the current needs, while the equally urgent stockpiling is not contained in the figures. You expect me to obtain the necessary foreign currencies for these requirements. I respectfully reply that I see no possibility of this under the prevailing circumstances. I proceed here from the assumption that not only copper and lead, but also other materials are involved in the increased demand for raw materials, and I should be grateful if I could obtain from you an estimate of your deficit in the other principal raw materials.

In all previous conferences with the Fuehrer and Reich Chancellor, as well as with the leading military agencies, I have expressed the conviction that it would be possible to provide foreign currencies and raw materials until 1 April 1936, for armament on the scale maintained thus far. Although this program of mine has been made extremely difficult by our cultural policy, which is encountering opposition throughout the world, as well as by our agrarian policy, and will continue to be made difficult, I still hope to be able to realize my original anticipations. If a degree of armament going beyond these is now demanded, it is, of course, quite far from me to deny or change my advocacy of the greatest possible armament, expressed for years, before and since the seizure of power; but it is my duty to point out the economic limitations to this policy.

The gold and foreign-currency reserve of the Reichsbank today amounts to 88 million RM. I should only like to point out the political and military impossibility of trying actively to master foreign political decisions with such a low reserve of foreign currencies. A reducing of the foreign-currency reserve, which has already been commenced owing to the food supply difficulties, involves, however, the danger that the population will be filled with distrust, not so much about the stability of the currency as because of the fact that our food supply difficulties will thereby become manifest.

In the conference with the Fuehrer and Reich Chancellor of the 26th of last month I gave an exact account of the receipt and use of foreign currencies. The estimate there presented gave the following picture for the six months from October 1935 to March 1936:

Industrial requirements (including armament	1,288 Mil. RM
Food requirements (minimum, probably more)	474 Mil. RM
Other Imports (so-called commercial-policy imports)	390 Mil. RM
	2,152 Mil. RM

In contrast thereto, at the same time, means of payment to foreign countries estimated at 1,776 million RM are available, so that there is a deficit of 376 million RM. The task of providing coverage for this deficit is an enormous one and quite uncertain of success. In addition, we already owe about 30 million RM in foreign currencies to foreign countries in overdue payments of the Reich Railways (Polish Corridor), the Reich Postal System, and the foreign-currency agencies, and furthermore must in the near future make available about 35 million RM in foreign currencies for the Saar Territory (Roman Convention) and for Danzig.

The additional copper and lead requirements imposed by you now demand alone approximately 3 million RM monthly. To these must be added the additional requirements of other raw materials on which I am still awaiting a tabulated statement from you. To these direct additional requirements must be added the indirect requirements for the accessory industries (Zulieferungsindustrien) and the requirements of those raw materials which are needed for military structures, as well as for the housing, food and clothing of the workers belonging to those industries.

Alongside of this additional industrial demand for foreign currencies, I fear, precisely during the coming year, an increased demand from the food sector. Already, the receipt of industrial raw materials has considerably declined in proportion to the agrarian imports. Imports of live animals and foodstuffs has risen considerably in the last few months, while industrial raw material imports have only with difficulty been kept at the previous level. As late as the spring of this year, the Reich Food Ministry estimated the foreign cash demands for fats for the second half year of 1935 at 300–400 thou. RM per work day, but already on 4 October a special expenditure of 3 million RM of foreign cash was demanded, and on 28 November new foreign cash demands amounting to 12.4 million RM, were made in addition to the current work-day assignment of 400,000 RM. For the month of January 1936, indeed, 690,000 RM per work day were demanded.

It is obvious that such estimates, which are being changed every moment, upset the whole foreign-currency procurement policy and must make my task almost hopeless. After the fodder harvest, already in the fall of 1934, was declared to be extremely scant; after the hog censuses at the beginning of March and the beginning of June 1935 made it very clear that the stocks were going down; after we had nevertheless entered the new harvest of 1935 with the unusually high grain reserve of 3.3 million tons instead of having used a part of it to fatten hogs; and after we had read, as late as 14 July 1935 an article entitled: "Hog Flood Finally Avoided" in the weekly newspaper of the Kurmark Peasant Union, which designated a recession in the stocks of hogs, especially middle-aged animals, as an "especially gratifying result"; there would appear to be justification for the question whether the above-mentioned mis-estimates do not have fundamental causes. In view of the uncertainty as to how much additional foreign currency the Reich Food Ministry will demand, I am unable, in any case, to make a sure prediction as to whether even the carrying out of the previous program up to 1 April 1936 will succeed with respect to foreign currencies and raw materials.

In the field of trade policy, too, the agrarian mis-estimates have produced regrettable consequences. In the fall of 1934, I could have negotiated extraordinarily favorable opportunities for raw material purchases in some South American countries, if I had been able to promise these countries to take even small consignments of frozen meat. This chance was spoiled by the resistance of the Reich Food Ministry. Yet exactly one year later, the same ministry suddenly raised an urgent cry for frozen meat imports, and I could not trade these imports off as compensation, but had to jeopardize a part of the industrial raw material imports in order to import frozen meat. A similar situation arose with the importation of cattle and hogs demanded by the Food Ministry in the fall of this year, when not enough time was left me to exploit these things from the viewpoint of commercial policy.

The picture of the hampering of my trade and foreign-currency policy would, however, not be complete if I did not point again and again to the cultural-policy hindrances, which keep alive throughout the world resistance to and dislike for business connections with us. The economic and legal treatment of the Jews, the anti-church movement of certain party organizations and the legal arbitrariness associated with the Gestapo form a detriment to our armament task, which, by the application of more reasonable methods, could at least be considerably diminished without sacrificing the objective.

If we have nevertheless succeeded in raising our raw materials imports in 2 years from 26 million tons to over 40 million tons, this was due only to the commercial-policy shifts imposed by the New Plan, which made possible an increase in our exports to some regions of the world; and it was furthermore only possible through the well-known export subsidies which weigh upon our economy. The longer and more broadly our cultural and legal-policy methods take effect out in the world, the fewer are the prospects of continuing the heretofore successful course in our trade policy.

An internal deviation through restriction of the raw material imports of certain industries, for example the cotton industry, in favor of metal imports, is also intolerable for reasons of internal policy, since this would lead at once to discharges of workers and to an increase in the cost of living. A restriction of the textile industry would, moreover, hit precisely those workers who are already on short hours. Furthermore, a saving of foreign currencies for other raw material imports than metals would lead to undesirable repercussions upon our exports. Exportation, however, is the indispensable basis of all foreign-currency and raw-material procurement, including armament.

Charged with the conduct of affairs:

Signed: Dr. HJALMAR SCHACHT
President of the Reichsbank Direktorium.

TRANSLATION OF DOCUMENT EC-297-A

ADDRESS
of the
Reichsbank President
Dr. Hjalmar Schacht
to
the employees of the
former
Austrian National Bank

Vienna,
March 21, 1938

My comrades:

Though I am nursing a heavy cold and my voice usually sounds somewhat more pleasant, I did not want to put off today's celebration for it is completely clear that *just as Austria feels drawn toward Germany, so does Germany feel strongly drawn toward Austria.* This is what has occupied my mind and for this reason I wanted to be with you as soon as possible, in order to prove to you how we are thinking in our community and to absorb from you your ways of thinking and feeling; for we use both for the work which we will have to perform *jointly* from now on.

The feeling that we are living in one of the greatest moments ever recorded in German history has entered deeply into all our hearts. The road of the Nibelungen from the Rhine to the Ostmark has become free again. It is our aim that intercourse of mutual work and cordial friendship will take place on it, in order that that road may never be blocked again in the future. We have often heard certain quarters say during the last weeks and months that Austria has a Special Mission. My friends, it is obvious that Austria has a mission as Bavaria or the Hanscatic cities have. After all, it cannot be denied that Prussia has had a certain German mission. *But, friends, there is no German mission outside of Germany.* (Large applause). Austria has certainly a great mission, namely, to be the bearer of German culture, to insure respect and regard for the German name, especially in the directive of the Southeast. Such a mission can only be performed within the Great German Reich and based on the power of a nation of 75 millions which—regardless of the wish of the opponents, forms the heart and soul of Europe.

We have read a lot in the foreign press during the last few days, that this aim, the union of both countries, is to a certain degree justified, but that the *method of effecting this union* was terrible. This method, which certainly did not suit one or another foreigner, is nothing but *the consequence of countless perfidies and brutal acts of violence which foreign countries have practiced against us.* These immoral methods started with Wilson's 14 points, in which the right of self-determination of all nations was proclaimed. Just as soon as we put our arms down, in order to make a peace based upon those 14 points, all those promises were gone with the wind. In October, 1918, Germany and Austria were about to effect a "Zollunion" (Customs union) and a very close alliance. Then came the Armistice, and thereafter, the provisional Austrian "Nationalversammlung" (national assembly), based on Wilson's points, declared it wanted the "Anschluss" (union) with Germany. That was on November 12, 1918, and on February 21, 1919, the constitutionally elected "Nationalversammlung" confirmed this resolution. But the Entente disregarded this declaration of the will of a free people, just as if nothing had happened. That, so far as Germany was concerned, the identical will for reunion existed was evident from the fact that the Weimar constitution of 11 August 1919, provided for Austria's participation in the German Reich, its parliament and its government. The dictates of Versailles and St. Germain expressly prohibited a union of Austria and Germany. Of the many disgraceful things which happened at that time, I would like to point out only one, since the whole world today is overflowing with morality. The castle of St. Germain contained rooms for a museum of ethnology, and precisely the room in which the peace dictate for Austria was written was for the extinct races of mankind. When this was pointed out to Clemenceau, he said the following cynical words: "Well, that fits the Austrian perfectly." *This was the morality* which those gentlemen *practiced against us. They have no right, not the slightest right, even to waste a word over methods that don't suit them.* But we are glad the Austrian "race" has not died out, but that it has today received in greater Germany opportunities for greater achievement and development than it ever enjoyed before.

In February, 1921, the Austrian national council again made an attempt at Anschluss (union). It again provided for a plebiscite in order to proceed with the Anschluss. The Entente again threatened Austria with withdrawal of credits, hunger, blockade, and various other things, in order to frustrate this plebiscite. To make the Anschluss impossible, they even went so far as to threaten Austria with the loss of German Burgenland to Hungary. Nevertheless, the older ones among you probably recall the spontaneous voting in Tyrol and Salzburg with the results 98½% in the Tyrol and even *more than* 99% in *Salzburg in favor of union with the Reich.* I believe that these expressions of will reveal much better the basic ideas of the Austrian people than a large number of editorials and speeches which we have read during the last months.

The economic difficulties of Austria had induced again and again the attempt to achieve closer relations with the great German Reich. The only road which finally was left was indebtedness to the foreign countries. When the Allies finally saw that something had to be done with Austria very soon, the first "Voelkerbund Anleihe" (loan of the league of nations) was given to Austria. The so-called Geneva loan protocol of October 4, 1922 contained as principal condition for this loan the obligation on the part of Austria, *that it would never give up its political and economical independence!* With such *methods of extortion,* it was tried to influence the feeling of the people by economical means. The next years are filled with plans, originating partly in Prague, partly in Paris, for a so-called "Danubian Confederation" since it was known that the small country of Austria by itself was not capable of surviving and since it was felt that something had to be done concerning its means of survival. It was the then "Bundeskanzler" (chancellor of the Federal Government), Dr. Seipel, who expressed in the Austrian National Rat on June 27, 1928, the feeling of the Austrian people when he said: "Whatever the economical schemes planned for Austria, we shall never manage without Germany." All this did not prevent the Allies from persisting in their delusion. When the German Government in the face of increasingly difficult conditions tried to bring about a customs-union in March, 1931, the Allies again intervened by exerting all sorts of political and economic pressure. As a result, both of us, i.e. Austria first and Germany later, were drawn into the most terrible credit crisis which had ever swept over Europe.

In 1932, Austria was once more temporarily helped out of the crisis by a renewed bondage to foreign countries and no compunction was felt in reiterating the clause of the old Geneva Protocol of 1922, according to which Austria may not surrender its economic independence.

I think it is quite useful if we recall these things to our mind in order to expose all the sanctimonious hypocrisy exuding from the foreign press. Thank God, these things could after all not hinder the great German people on their way, for Adolf Hitler has created a communion of German will and German thought, he bolstered it up with the newly strengthened Wehrmacht and he then finally gave the external form to the inner union between Germany and Austria.

I am known for sometimes expressing thoughts which give offense and there I would not like to depart from this custom (hilarity). I know that there are even here in this country a few people—I believe they are not too numerous—who find fault with the events of the last few days. But nobody—I believe—doubts the goal and it should be said to all grumblers that you can't satisfy everybody. One person says he would have done it maybe in one way, but the remarkable thing is that they did not do it (hilarity), that *it was only done by our Adolf Hitler* (long continued applause) and if there is still something left to be improved, then those grumblers should try to bring about these improvements from the German Reich and within the German community, but not to disturb it from without. (Lively agreement.)

The union of our two banks is but a small link in this great event, a link which has to maintain the chain, but which gives a special new task to each of us. May I also point out here, that Austria did not come to us with empty hands; rather I should like to recall to you who are working in the Austrian National Bank, the *proud tradition* of this institution. The German Reichsbank is slightly older than the Austrian National Bank, for it was founded already by Frederick the Great in 1765 and it transferred as the Prussian Bank to the * * * Reichsbank in 1875. The Austrian National Bank was founded as privileged National Bank in 1817, formed then from 1878 on together with Hungary, the Austrian Hungarian Bank and after the war, from 1923 on has been carried on under the name, Austrian National Bank. The economic and currency problems in the old Austro-Hungarian monarchy were, to some extent, much more difficult than in most other countries. The older ones among us, who know the history of the note banks, can only speak with the greatest respect of the achievements of the Austrian National Bank or of the Austro-Hungarian Bank. It has mastered all problems with immense objectivity, with the best scientific foundation, and yet with a strong sense for the necessity. It was a model institution, and if the employees and workers of this institution are still full of that same spirit which I have known from previous occasions—and I am convinced that this is so—that I can only say: "We, in the *German Reichsbank are glad to have you as co-workers.*" (Long, lasting applause.)

My dear friends, whenever I have occasion to speak at home before the Reichsbank and its employees, I always try to remind my co-workers of this: the Reichsbank has never succumbed to any inner-political influences. The Reichsbank has always been true to the exhortation of Frederick the Great to be the servant of the state, to pursue a national policy and never to do anything not useful to the benefit of the German people. This goal united everybody in the Reichsbank from the executive down to the last clerk and therefore we are proud of being members of the Reichsbank. The Reichsbank considers itself as that office upon whose cleanliness, conscientiousness and sense of duty the state can most securely depend. (Stormy applause.)

The wish to which I want to give expression here, in the full conviction that it will be fulfilled is:

Transfer the faith, the sense of duty, with which you have served this office, to the greater institution, grew together with us in an inseparable esprit de corps of decency, diligence and performance of duty. Then we are not only going to be good comrades to each other, but we all are going to have the feeling that everybody is accomplishing on his part, a great task, even if it seems to be very small.

I would like to say a few details about our future co-operation. First, in regard to the business side, we already started to make direct payments by "sino" between Berlin and Vienna. On Saturday "sino" remittance from Berlin to Vienna and today it is also working the other way. We shall soon extend this arrangement to all branches and the whole Austrian territory will be incorporated in the "sino" system of the Reich. When we arrived here a few days ago, we had, of course, to take a number of security measures, which should mainly prevent the removing from Austria of anything that we can use quite well, here (Hilarity). In the course of carrying out these precautions, we froze payments above a certain amount. Since, however, I am certain that border intercourse around greater Germany will, within a very short time, be efficiently supervised, I believe that we can abolish this freeze in a few days.

Without laying any blame upon the National Bank, a large part of its business consists in winding up engagements from the depression year of 1931 now that the Reichsbank is opening its doors here, I should like to make an attempt to build up new business in new fields. We want to become a good and successful helper of the Austrian economy and we shall soon find sufficient opportunity for this. Austrian business will unquestionably pick up in the course of the development being stimulated here by the National Socialist economic policy. This will also open up new business opportunities for the Reichsbank and the latter will be able to render good services to both the discount and the loan (Lombard) business. At the moment, the money market in Vienna is still comparatively fluid. I believe that, when business is once stimulated in Austria, this money will, in the course of time, be put to good use. But we want to try right away to give Vienna the benefit of the Berlin money market and provide opportunities for short-term investments.

In particular, the promissory notes [Selawechsel] of the Gold Discount Bank pay better interest than anything available at the moment here in Vienna and we, therefore, want to make them available for money investments here also. Furthermore, it is quite obvious that the Austrian Banks will also participate in the next Reich loan.

You will see from that that we have the desire of strongly promoting the economic activities of Austria. We know very well that the incorporation of Austria into the control machine which we were forced to impose upon our economy, will cause some difficulties. But we shall try to keep the difficulties as small as possible and to give a major independent activity to Austrian economy in industry as well as in banking. I especially hope that the old Austrian Export Business will be maintained at the same high level as in the past. Finally we are going to give to the stock exchange here a broader security market by introducing a number of first-class German stocks.

A few more remarks about the organic fusion of the two institutions. From the greetings conveyed to me by wire from Vienna and from the branches, I have already realized how great are joy and readiness for cooperation existing everywhere and I would like to express my thanks for these greetings here and now. It is unavoidable that we should first send a group of German experts to reduce the organization to the same denominator. Their number will, however, be very small, first because there are very great similarities in the organization of the two institutions, and second, because we are confident that the officials and employes of the Austrian National Bank will work just as well and as faithfully as those of the Reichsbank. I have confidence in all of you, that you are going to perform your duties within the frame work of the Reichsbank just as well as the old members of the Reichsbank, and I know you are not going to disappoint me. (Strong, lasting applause.) This is also the reason for our willingness to incorporate at once the entire staff of the Austrian National Bank into the Reichsbank. May I make a human remark: confidence is enjoyed only by him who bestows confidence.

And now I should like to express the *gratitude* of the Reichsbank board of directors and my personal thanks for everything that has been done up till now. I want to thank the management of the Austrian National Bank for the laborious work performed through all these years. These have been difficult times, which have made almost superhuman demands on the willingness to sacrifice, the health, the strength and the endurance of the individual. My thanks go also to the assessors [Zensoren], whose cooperation, I trust, we shall continue to enjoy in the future, for it has always been a main point of our program to keep in close touch with all circles of industry, as well as with the farmers.

And now I am at the end of today's remarks. I wanted to come to you as quickly as possible to show you that nothing stands between you and us and that we are one single family in the Reichsbank (stormy, lasting applause). If you form such a family unit, it is above all necessary to get mutually acquainted and therefore I should like to present to you two of my companions, who have come here with me today: Reichsbankdirektor Blessing, who in the future, will be in charge of Austrian affairs in Berlin and, further, our loyal personnel administrator, Stellenleiter Oberkampf. For I have said to myself that it is not only a matter of getting acquainted with "Big shots" (lively hilarity), but also of having the staff get into touch with one another. I also thank your Fachschaftsleiter, Mr. Wolf, very particularly for his words of welcome, which have shown me that we shall certainly grow into one family. And I thank you, Mr. Wolf, very especially for saying that the denunciation nuisance must stop. (stormy applause). In all movements and in all human works there are loud-mouthed and silent fighters. The loud-mouthed fighters are seen and heard, but the silent fighters are often overlooked. I consider it completely impossible that even a single person will find his future with us who is not wholeheartedly for Adolf Hitler (strong, continued applause; shouts of "Sieg heil"). Whoever does not do so had better withdraw from our circle of his own accord. (Stormy applause.)

I think I can say that I am quite well liked among my officials and employees in the Reichsbank, for in every stage of life I have stood up for the people entrusted to my management (stormy applause). Today I should like to say quite frankly to you: If you have to make any complaint against co-workers, I am the competent authority, and no one else. I shall see to the removal of anyone who does not fit into our frame work, but I will also not allow anyone to be insulted or denounced with impunity. The Reichsbank will always be nothing but National Socialist, or I shall cease to be its manager (heavy, protracted applause).

Now I shall ask you to rise. (The audience rises.) Today we pledge allegiance to the great Reichsbank family, to the great German community; we pledge allegiance to our newly arisen, powerful Greater German Reich and we sum up all these sentiments in the allegiance to the man who has brought about all this transformation. I ask you to raise your hands and to repeat after me:

I swear that: I will be faithful, and obedient to the Fuehrer of the German Reich and the German people, Adolf Hitler, and will perform my duties conscientiously and selflessly. (The audience takes the pledge with uplifted hands.)

You have taken this pledge. A scoundrel he who breaks it. To our Fuehrer a triple "Sieg heil".

PARTIAL TRANSLATION OF DOCUMENT EC-305

[in pencil]: Wi Rue Dept 383/40 Most Secret

Berlin 12 February 1940

V.P.2999 Top Secret

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Meeting under the chairmanship of Minister President General Fieldmarshal Goering on questions concerning the East.

The following, among others, were present:

Reich Minister Graf Schwerin von Krosigk,
General Governor Reich Minister Frank,
Reichstatthalters Forster and Greiser,
Lord Lieutenants Koch and Wagner,
Reichsfuehrer—SS Himmler,
State Secretaries Koerner, Neumann, Landfried, Backe, Dr. Syrup, Kleinmann, Alpers,
The Head of the Main Trust office East, Dr.h.c. Winkler.

By way of introduction, the General Fieldmarshal explained that the strengthening of the war potential of the Reich must be the chief aim of all measures to be taken in the East. Therefore it is necessary, that the conditions be stabilized as soon as possible, even if this means that the type and methods of administration will be different in the new Eastern Gaus from those in the General Government. From this it is obvious that, with the possible exception of the Beskiden Gau no part will be finally included within the German frontiers.

If all measures must serve the chief purpose of strengthening the economic power, we must refrain, within the area, from the attempt of Germany to bring it up to the standard of the Old Reich (Altreich) immediately. The process assimilation in the new Eastern Gaus will, therefore, be much slower than was possible in Austria and in the Sudeten Gau in times of peace. It will be the task of the Reich to carry out the reconstruction of the East with all its power *after the end of the war.*

With this chief purpose in view, the following principles for individual problems are to be observed:

1. Agriculture:

The task consists of obtaining the greatest possible agricultural production from the new Eastern Gaus disregarding questions of ownership. The Minister of Food and Agriculture has the sole responsibility for this, regardless of when, where and how they will later be settled. Transfer of property can be considered only for the Baltic Germans and for the Wolhynien German. * * *

2. Trade economy:

In the Reich Gaus, all essential industrial concerns of importance to the war, are to be reinstated. The examination of the raw material stovehouses is to continue; no great results will, however, be achieved by this. It is possible that the investigation of raw materials will have better success in the General Government. The main thing here is the petroleum which must be exploited and transported into the Reich regardless of how the payment for it is to be arranged. The mining of iron ore also must be pressed forward.

* * * * * * *

4. Special questions concerning the Government General:

* * * The General Government will have to receive the Jews who are ordered to emigrate from Germany and the new Eastern Gaus. However, it must not occur again that transport trains are sent into the General Government without notification of the General Governor in the regular way and at the right time.

II.

The following reported on the situation in the Eastern Territories:

1. Lord Lieutenant Gauleiter:

* * * There have been no evacuations. The Jews are employed on road construction and are needed for this purpose for a time. The Poles are employed in agriculture and in factories. Should the prisoners of war, employed in agriculture in East

Prussia, be removed, as intended, into the interior of the Reich, East Prussia will need 115–120,000 Polish farm workers.

2. Reichsstatthalter Gauleiter Forster:

The population of the Danzig/West Prussia Gau (newly acquired territories) is 1,5 million, of whom 240,000 are Germans, 850,000 well-established Poles and 300,000 immigrant Poles, Jews and asocials (1,800 Jews). *87,000 persons have been evacuated, 40,000 of these from* Gotenhafen. From there, also the numerous shirkers, who are now looked after by welfare, will have to be deported to the General Government. Therefore, an evacuation of 20,000 further persons can be counted on for the current year. * * *

3. Reichsstatthalter Gauleiter Greiser:

The Gau has approx, 4½ million inhabitants, of whom 400,000 are Germans and 400,000 Jews. *So far, 87,000 persons have been evacuted.* Among these are no workers, except those who were politically tainted; agricultural workers have not been deported.

* * * * * * *

4. Lord Lieutenant Gauleiter Wagner:

Agriculture is in good shape. Industry could increase its output by 30 to 50% if it were possible to eliminate the transportation difficulties. No evacuations have taken place so far. However, for the future the deportation of 100–120,000 Jews and 100,000 unreliable Polish immigrants is being considered.

* * * * * * *

The Reich Commissar for the consolidation of the German race, Reichsfuehrer-SS Himmler, reports that 40,000 Reich Germans had to be accommodated in Gotenhafen, and that room had to be made for 70,000 Baltic Germans and 130,000 Wolhynien Germans. Probably not more than 300,000 persons have been evacuated so far (the Polish population being 8 Mill.)

On the other hand it will probably be necessary to transfer into the Eastern Gaus 30,000 Germans from the Lublin area East of the Weichsel *which is to be reserved for Jews.*

SECRET COMMAND MATTER

The Reich Marshall   Enclosure No. 2
of the greater German Reich
Representative for the Four-Year Plan   7 September 1943.
—Office of the Economic Staff—   3 Leipziger Str.,
East   Berlin, W. 8.
V.P. 11 207/6/3 gRs   SECRET REICH MATTER!
40 copies/13th copy
8 supplementary copies
2nd supplementary copy

Concerning: The evacuation of the Harvest Crops and the Destruction of the Means of Production in the Agricultural and Food Economy in Parts of the Occupied Eastern Territories

By direction of the Fuehrer, I give the following order:

1. In the territories East of the line fixed by the highest military command, the following measures are to be taken gradually, according to the military situation at the time. The measures are to be determined by the OB of the Army Groups:

i. All agricultural products, means of production and machines of enterprises serving the agricultural and food economy are to be transported away.

ii. The factories serving the food economy, both in the field of production and of processing, are to be destroyed.

iii. The bases of agricultural production, especially the records and establishments (storage plants, etc.) of the organizations charged with seizing the food economy are to be destroyed.

iv. The population engaged in the agricultural and food economy is to be transported into territory West of the fixed line.

2. The Chief of the Economic Staff, East, General of the Infantry, Stapf, is charged with the direction of the measures, as representative of the Economic Executive Staff. Execution takes place under the responsibility of the highest military command offices which are bound by the substantive orders of the pertinent departments of the Economic offices.

3. In the performance of his task, General Stapf is bound by the directives of the chief of the department of my office dealing with "Food", State Secretary Backe. He is entitled to give binding orders to all military and non-military offices for the purpose of executing his task and of receiving the transported goods in the occupied territories and in the war theater of Germany.

[signed] GOERING

Telegram (Open)

Paris, 26th April 1941
Received: 26th April 1941 19.00 hours.
No. 1297 of 26.4.
per G. Schreiber
per Dr. Schwarzmann for Ambassador Abetz.

The French know of the Order of Reich Marshall of the Four Year Plan that for allocations of metal raw materials for the occupied and unoccupied zone, from the 1st July only available metal reserves in France will be allocated to them. For this purpose most wide scale seizure of all metal reserves must be carried out, that is,

1. Clearing out of factories and households.
2. Calling in of metal coins.
3. Exploitation of closed down plants.
4. Salvaging of copper cables which are still extensively available below ground from the time of street cars.

The French Government has indicated its agreement to these four points.

Apart from this, householders are directed, as in Germany, to hand over all metal objects made of copper and tin.

Besides, the Reich Marshall has ordered the removal of church bells which represent the most important and last reserve of copper and tin. The Reich Marshall stressed in this connection, that no church bells would be removed in Germany before all bells had been removed in France. Here the removal will be carried out first in France, then Belgium and if necessary finally in Holland. The 1st May is set as the date for the commencement of the removal in France. Arrangements are made at the Hotel Majestic with Barnaud, who announced that it was not possible to persuade the French population that the seizure of the metal objects from households and the removal of church bells was necessary to cover the French requirements in metals, as the seized quantity would cover metal requirements for several years.

Barnaud traveled to Vichy, to consult with the Cabinet Council and should bring from there the reply of the Government and of the Marshall on Monday.

Military Commander, Economic Office, does not believe that the seizure from households and the removal of church bells can proceed without force. The administration offices of the military commander have serious misgivings regarding how these measures will work out politically, as when it is known that the church bells have been removed, the widest sections of the people would be turned against the occupying power as a result of their religious feelings being hurt.

Schleier.

PARTIAL TRANSLATION OF DOCUMENT EC-335

Report of the Military Administration in Belgium and Northern France. Jan.-March 1943; Vol. 43 ac, Page C 2.

Although, according to this, the development of the Belgian budget did not cause any acute alarm, the heavy demand upon the credit of the bank of issue thru the total financial burden of Belgium since the occupation of the country presents a change of the aspect to the disadvantage of the Belgian currency and financial situation. From May 1940 up to the end of 1942 this total burden by general budget expenditure, occupation costs, exchange of Reichskreditkassen-certificates and payment of clearing credits amounted to 118 billion bfrs. altogether. Of this 48.6 billion bfrs. = 41% were Belgian national expenses (ordinary and extraordinary budget without occupation costs). Whereas 69.4 billion bfrs. = 59% were caused by the occupation (occupation costs, exchange of Reichskreditkassen certificates and clearing payments). In detail the expenditure was covered by:

1. tax revenues	36 billion bfrs. =	30%
2. bonds and loans (Money and capital market)	33 billion bfrs. =	28%
3. By the bank of issue		
a. By reduction of assets (private credits, open market, etc.)	5 billion bfrs. =	4%
b. By extension of cash and giro money circulation	44 billion bfrs. =	38%
	118 billion bfrs. =	100%

This comparison of taxes: credits: bank of issue = 30: 28: 42% shows how strained the currency situation of Belgium is and which difficulties must be met in securing the currency situation. For 1942 alone the payments made for German interests by Belgium (government and bank of issue) amount to 37,1 billion bfrs., that is more than half of the Belgian national income estimated at 50 to 60 billion bfrs.

* * * * * * *

[Page C 20]

2. Transfer of formerly Polish shares into German hands:

The procurement of shares at the Belgian "Trust Metallurgique" on Electricity and Road enterprises East Silesia and the General Government for the Main Branch of Trustees—East, as well as the purchase of shares at the iron works Ostrivices for the Reichs works Herman Goering, had to be done according to the request by the Reich Ministry for Economics, forcefully, as an agreement on a financial basis could not be obtained.

The trust was just under Bank surveillance as a co-operation and then forced to surrender the shares. *Herewith, for the first time in Belgium, enforced surrender of shares has been practiced.*

* * * * * * *

[Page D 37]

"In the course of the measures of rationalization furthermore [Weterhin] *of 2,000 enterprises, 400 enterprises working uneconomically and unimportant for the warfare were shut down* [underlined in the original], unification and restrictions of types (models) of production was introduced, the working hours increased and the system of several shifts was introduced in several branches of industry."

TRANSLATION OF DOCUMENT EC-336

Berlin, 26 Nov., 1942.

The Reichsminister for the Occupied Eastern territories
I/862/2 g

SECRET

a. To the Reichskommissar for the Eastland [Ostland]
Riga
b. The Reichskommissar for the Ukraine
Rowno

Re: Treatment of Poles in the occupied Eastern territories.

Several reports which I have received concerning the behaviour of the Polish population in the occupied Eastern territories have caused me to take a fundamental stand on the problem of the treatment of the Poles who live in the occupied Eastern territories and to point out the necessity of pursuing a uniform policy in this connection.

The Polish people which has always seen its political chance in a fight against Germany and the history of which is full of an age-old antagonism against Germany has carried on a struggle of extermination against the German minority in former Poland unparalleled in its cruelty, and it has plotted the present war at the instigation of England. Although they have lost their part of the war, nevertheless Polish soldiers are even today fighting on the English and Soviet Russian side against Germany while the Polish population residing in the annexed territories and in the Generalgouvernment tries with all means at its disposal to make difficulties for the German command by passive resistance as well as by isolated acts of terror and sabotage and thus to weaken the power of resistance of the Reich.

In the occupied Eastern territories the situation is similar. Notwithstanding their display of loyalty and outward willingness to cooperate, here too, the Poles have often exploited their official positions in the German administration and in the native auxiliary administration as well as in the field of economics, in order to gain advantages of all kinds (e.g. in the distribution of food and lodgings as well as in the assignment of well-paid jobs) for themselves and their fellow citizens. The Polish personnel used in the transportation system and especially on the railroads, has put itself to a high degree at the service of a whispering propaganda very detrimental to German interests and it has strongly contributed to the creation and spread of rumors. This Polish personnel employed in transportation has likewise maintained contact with the Poles living outside the occupied Eastern territories as well as with the illegally working Polish resistance movement and with the Soviet Partisan groups. Finally, the Poles have successfully managed, among the native population, to increase, by clever agitation, the discontent existing here and there over measures of the German military government necessitated by the war, and to whip up the minds of the people against the German leadership.

The dangers to the interest of the Reich arising from the exertion of such influence and pressure by the Poles are obvious. In many cases these dangers are understandable to their full extent only in their connection with the entire Polish resistance movement, and will become apparent only after a considerable stretch of time, due to the extremely difficult and ethnically often very confused conditions in Eastern Europe.

Neither the fact that the majority of the Poles generally possess a better knowledge of German, a more refined demeanour and more attractive clothing than the indigenous population, nor the fact that some Poles like to point to their German military decorations won during the last war and to their alleged ties of relationship to Germany, nor their own external politeness and industriousness should deceive the German leadership as to the true intentions of the Poles, who because of their national character and their history have a leaning towards conspiracy, have learned during the period in which they lived under German, Austrian or Russian rule, to worm their way into the confidence of the ruling class through a clever adaptation to prevalent currents, and then to exploit for themselves the weaknesses and differences of opinions there observed. To a particularly high degree this is true of the Polish women who especially in the period of the Polish fight for independence have lent themselves to political machinations under the cloak of charitable works, and who were always ready to render service to the cause of Poland. For obvious reasons it is not possible to reach a final solution of the Polish problem in its entirety during the war. All the more important, on the other hand, is an unequivocal attitude of all members of the German military government towards the Poles and a clear and continuous execution of those directives considered necessary in the treatment of the Poles, as soon as the opportunity for replacement by other forces is present. I therefore pronounce it a duty to observe the following directives:

1. As quickly and completely as possible all Poles are to be removed from positions which afford an insight into the essential political and economic setup or which in some form or other give them important influence in matters of administration, culture or economy. In particular mayors, Kreis-and-Rayon chiefs of Polish nationality or pro-Polish leaders of larger industrial plants and estates will be dismissed and replaced by members of other nationalities (Lithuanians, White Ruthenians, Ukrainians). The same holds for persons of Polish nationality holding positions in the German or native administration; especially for former students, teachers, clerics, and other members of the Polish intelligentsia.

2. In view of the enormous tasks which have to be performed in the occupied Eastern territories, the dismissed Poles will be used in other fields, just as generally the employment of the Polish population in agriculture and other fields involving the assurance of the food supply and military economy is to be guaranteed.

3. The Polish school system will not be developed and extended beyond four years of primary school. Exceptions in military technical training may be admitted.

4. The foundation of Polish newspapers, periodicals and pamphlets is prohibited. The newspaper "Coniec Codzienny"

published in Polish under German supervision is to be distributed exclusively to Poles living in the Wilna district.

5. The Polish language is to be used only in those localities which have an undisputed Polish majority. It must neither be put on the same level nor be preferred to the use of Lithuanian, White-Ruthenian, or Ukrainian.

Poles will not be required to learn German or the language of the country, but are to continue to use Polish.

I am not unaware of the fact that the execution of these directives will in many cases be connected with great difficulties. It is, however, a question of an *incessantly* to-be pursued aim, which must never be lost sight of merely for reasons of convenience. For the political harm of Polish activity usually outweighs the momentary economic advantage.

It is requested that this order of which 100 extra copies are enclosed, will be fully brought to the attention of all agencies under you and that report be made to me on the measures taken for the execution of these directives.

Signed: Rosenberg
certified Szymaniak
Government Head Inspector

TRANSLATION OF DOCUMENT EC-338

Berlin, 15 Sept 1941

Amt Ausl/Abw.
Nr. 9731/41 geh. Chef Ausl.
F XIV, E 1.

Secret

To be submitted to the Chief of OKW

Notes of Speech

SUBJECT: Directives for the treatment of Soviet Prisoners of War.

REFERENCE: 2 f 24.11 AWA / Kriegsgef. (I) Nr. 3058/41 secret

To be submitted to the Chief of AWA

I. 1. The legal position is as follows:

The Geneva Convention for the treatment of Prisoners of war is not ["not" is underlined in purple pencil] binding in the relationship between Germany and the USSR, therefore only the principles of general international law on the treatment of prisoners of war apply. Since the 18th century these have gradually been established along the lines that war captivity is neither revenge nor punishment, but solely protective custody [Sicherheitschaft] the only purpose of which is to prevent the prisoners of war from a further participation in the war. This principle was developed in accordance with the view held by all armies that it is contrary to military tradition to kill or injure helpless people; this is also in the interest of all belligerents in order to prevent mistreatment of their own soldiers in case of capture.

2. The decrees for the treatment of Soviet Prisoners of War enclosed as supplement No. 1 are based on a fundamentally different view point, as is shown in the opening phrases. According to this view point military service for the Soviets is not considered military duty but, because of the murders committed by the Russians, is characterized in its totality as a crime. Hence the validity of international legal standards in wartime is denied in the war against Bolshevism. Furthermore much is set aside which, according to previous experience has proved itself not only as militarily useful but was also considered absolutely essential for the maintenance of discipline and efficiency of the own troops.

3. The instructions are very general. But if one considers their basic principles the expressly approved measures will result in arbitrary mistreatments and killings, the formal prohibition of arbitrary actions notwithstanding.

a. This results in the first place from the instructions about the use of arms in cases of insubordination. The guards and their superior officers who are entirely unacquainted with the languages of the prisoners of war will frequently not be able to determine whether non-compliance with orders is caused by misunderstanding of disobedience. The principle: "Use of arms against Soviet prisoners of war is as a rule justified" exempts the guards of any obligation for deliberation.

b. The treatment of the prisoners of war is removed to a large extent from the supervision of the Wehrmacht; to outward appearance, however, the responsibility will remain with the Wehrmacht.

aa. The screening of the civilians and politically undesirable prisoners of war as well as the decision over their fate is effected by the action [purple pencil note "very efficient!"] of detachments of the Security Police [Sicherheits Polizei] [underlined in purple] and the SD along principles which are *unknown* to the

Wehrmacht authorities and the compliance with which they cannot check.

bb. The establishment of a camp police equipped with clubs, whips and similar tools is contrary to military conception, even though the policing is done by camp inmates; furthermore, the Wehrmacht authorities are thus handing over means of punishment to unknown persons without being able to really check on their use.

c. The final phrase of the decree suggests that the commanders of the prisoners of war camps act even more severely than the decrees provide for, in order to be sure not to be held responsible themselves.

4. According to general experience, unfair treatment provokes the spirit of insubordination, so that the guarding of these prisoners of war in all probability will always remain difficult. The instructions already provide for the employment of one guard for each 10 prisoners during work so that with the present number of approximately 1.5 millions of employable prisoners a minimum of 150,000 men is required for guard duty.

5. Enclosure No. 2 is a translation of the Russian decree for prisoners of war which complies with the principles of the International Law and to a very large extent also the Geneva Convention for the treatment of prisoners of war. This decree will no doubt be disregarded by the Russian troops at the front but both the Russian as well as the German decree, are mostly for home consumption. Although it can hardly be assumed that the Russian decree will be adhered to in the Russian territory of the Soviet Union, there is the danger that the German decrees will be seized upon by the enemy propaganda and will be compared with the Russian decrees.

6. The reconstruction of the occupied territories, so essential for the German War Economy, will be handicapped. It will be made impossible for these prisoners of war who, because of their anti-Bolshevistic attitude or because of some special training or for other reasons could be used for the administration of these territories, to work for us after their release even though they might be inclined to do so after their experiences in the prisoners of war camps. Instead of taking advantage of the tensions among the population of the occupied territories for the benefit of the German administration, the mobilization of all international opposition forces of Russia for unified hostility will be facilitated.

7. Under the special conditions prevailing in the Russian theatre of operation, the will to resist of the enemy troops will be extremely strengthened by the enemy intelligence service and the very rapidly effective whispering campaign.

8. Possible sources of information will be blocked; prisoners of war who, as internal political opponents of the Bolshevistic regime, especially those belonging to minorities, could be used for counter-intelligence purposes will lose all willingness they may have to be enrolled. This applies especially to the nationalities of the territory of the Caucasus which is so decisive for the war economy.

9. It will be impossible to protest against the bad treatment of German soldiers in Soviet Russian captivity. [purple pencil note: I consider it useless!]

II. Office Ausl/Abw. (Foreign Counter-Intelligence) has not been consulted before issuance of these decrees of the order for their execution. For fundamental reasons as well as for the detrimental results certainly to be expected with regard to political and military matters, the office Ausl./Abw. has had considerable misgivings about them.

Signed: Canaris

2 Enclosures

[The following notations appear on first page:]

Ink and pencil: vol 222-2
pencil: 338
Blue pencil : v. P 23 Nov.
Brown pencil : submit to chief, office of Foreign Intelligence Berkner (?) 25 Sept.
Red stamp : Secret
Purple pencil : K 23 Sept. The Objections arise from the military concept of chivalrous warfare! This is the destruction of an ideology! Therefore I approve and back the measures K.
Indelible ink : –2– chief foreign and chief intelligence III C. (illegible initials) 1 Oct.
Blue pencil : (initials) 29 Sept.
pencil : (initials) 22 Nov.
Blue pencil : (initials IV 20 Oct. back to staff Ia 20 Nov. (initials) VI
Indelible pencil: Ia [illegible letters]

Supreme Command of the Armed Forces
Az. 2f 24.11 General Armed Forces Dept. /P.W. (I)
No. 3058/41 Secret
2 Enclosures

Berlin-Schoeneberg, 8 Sept 1941
Badenschestrasse 51

Secret

SUBJECT: Regulation for the treatment of Soviet prisoners of war.

Reference:
1. OKW/P.W. 26/41 Most Secret dated 16 Jan 1941 (only for the P.W. commandants in Service Command I and the General Government.
2. OKW/P.W. 2144/41 Secret dated 26 June 1941.
3. OKW/P.W. 2401/41 Secret dated 17 July 1941.
4. OKW/P.W. 15 No. 5015/41 dated 2 Aug. 1941.

Appended is a collection of and/or additions to the orders already issued in various directives on the treatment of Soviet prisoners of war. The directives, already issued by OKH/Gen. Qu. for the operational areas, have been considered. By this order, any orders on this subject become invalid so long as no direct reference is made to them in the appendix.

Distribution:

Supreme Command army/gen. staff army/gen. Hq.	10
Reich air force minister and C-i-C of air force	2
Supreme Command Navy	2
Armed Forces C-i-C Norway	2
Service Commands I-XIII, XVII, XVIII, XX, XXI, also for branches 6 each	102
Military Commander Government General and PW Commander	25
PW Commander service command I	15
Armed Forces Commander Baltic territories Riga, and PW Commander with armed forces commander Baltic territories at present Riga	20
Armed Forces commander Ukraine, Powne, and PW Commander with armed forces Commander Ukraine, at present Berditschen	20
Air district hq. II,XI,XII	3
Naval station North Sea, Wilhelmshaven	1
Naval station Baltic, Kiel	1
carry over	203

[red stamp and blue ink]
to No. 9731/41 secret foreign

	carry over	203
for information:		
Reich Labor Ministry, attention Councillor Dr. Hoelk	....	1
Reich Leader SS and Chief of German Police, Berlin SW	....	11
Reich Labor Service	....	10
Supreme Command Armed Forces /staff/ hq.	....	2
Supreme Command Armed Forces JAG	....	2
Supreme Command Armed Forces Armed Forces Propaganda	....	2
Supreme Command Armed Forces foreign office/counter intelligence/foreign	....	2
Supreme Command Armed Forces Foreign office/counter intelligence/counter intelligence I	....	2
Supreme Command Armed Forces Foreign office/counter intelligence/counter intelligence II	....	2
Supreme Command Armed Forces/Foreign office/counter intelligence/counter intelligence III	....	2
Supreme Command Armed Forces general armed forces office/inspect./PW	....	1
Supreme Command Armed Forces PW	....	4
Supreme Command Armed Forces reserve	....	20
Supreme Command Armed Forces draft	....	1
		255

Chief of Supreme Command Armed Forces by order:
REINECKE

[The balance of this enclosure appears in Document Number 1519-PS. The second enclosure is a translation from Russian into German of a Russian decree pertaining to treatment of German PW's.]

PARTIAL TRANSLATION OF DOCUMENT EC-344-7

III. ARMAMENT ECONOMY IN POLAND, 1939–40, p. 1

B. *Problems which influenced the armament economy*

The foregoing part III A has given a total picture of the national economic situation of the general government territory with which the Wi organization had to contend with at the beginning and during its activities. In the following the questions of general and principle importance are to be illuminated as well as individual problems which had to be solved by the Wi in Ober-Ost in connection with measures for the armament economic exploitation.

I. Principal Questions

a. Hague Convention on land warfare

The war economic exploitation of the occupied enemy territory in favor of the occupying power can only be accomplished by interference with state or privately owned enemy property. The material right of requisition has been regulated by Article 52 of the Hague Convention, paragraph 1. (Expropriation by force to cover the needs of the occupying army) and by Articles 53 and 54, the right of the occupying power to the mobile state-owned property which can be useful to serve the purposes of the war. "OKW-Foreign Countries" has in digested form by directive of November 9, 1939, made clear the most important points which also are contained in Appendix TF II. Accordingly, the title to the mobile property of the enemy state is transferred as "booty" without compensation; these are war and armament economically important goods from the Polish state depots and armament works which were blocked and secured during the advance by the VO; the troops; the WT and later by the WIST (Armament Commands) and the Delegate for raw materials.

But also the *mobile privately owned enemy property* is liable to blocking insofar as it can be used to serve the war activities. With this, the legal instrument for the effective measures by the W WI authorities for the exploitation of the Polish armament economy were practically given, insofar as they concern the blocking and utilization of "mobile" goods because, with the modern conception of total war, not only battle actions but also the "economic armaments" belong to the war enterprise and therefore industrial inventories of raw materials, half- and finished products, as well as machines can be looked upon as serving the war actions. The question of *compensation* after the war for privately owned property according to the Hague Convention for the War on Land (Article 53, paragraph 2) does not touch, at least for the present, the measure of the W Wi agencies.

The *immobile* state property (see Article 56 of the Hague Convention) is only subject to use and administration by the occupying army but not to confiscation. There are no regulations about the privately owned immobile property apparently because at that time it was taken for granted that it was protected against interference.

Immobile property is legally everything that is tightly connected with the ground. If, therefore, the regulations of the Hague Convention were applied according to the letter of the law, it will have been illegal to block and *remove* installed machines (state and privately owned) which were a very important object of the war economic exploitation.

But such an interpretation is contrary to the recognized principle of the Hague Convention about the preference of the "necessitee de la guerre". By analogous application of this principle, it is decisive, if the measures are justified by the necessities of war because according to Article 23*g* the destruction and confiscation of enemy property during hostilities is allowed if the necessities of war make it imperative, as is also acknowledged by the reporter of the Hague Conference, Rolin, for the rights of the occupation.

The analogy must be decided in the affirmative. All measures for the relief of the economic shortages for the benefit of waging war are necessities of war, considering Germany's economic emergency and the prime importance of the economic war forced upon her. The economic war obeys the same laws as the war itself. All definitions of the law of war, rules, prohibitions and principles apply also to the economic war, which was not known —not even dreamed of—in its present form at the time of the Hague Conference but only brought to life during the World War by the Anglo-Saxon interpretation of the war as *people* against *people*.

The blocking and removal of machines, even if they were securely tied to the floor and in this way made part of the ground and immobile or the breaking up of factory sheds and the utilization of their machines and the sheds in German Armament industry, has been made imperative by the necessities of the war and, therefore, the occupying power does not violate the principles and the meaning of the rights of war, even if the Hague Agreement—not foreseeing the development of the economic war —in this respect contains limiting regulation.* "The war necessities (necessitee de la guerre) are in the same relation to the rights of war as the state of self defense to the criminal law.

---

* This apparent gap of the Hague Convention, which has its reason in the unpredictability of the modern economic war, has been closed during the later phase of the war in respect to occupied France by steady practice in this way that no *formal* legal measurement for the civil law term "immobile goods" has been applied. Taking in consideration the necessities of the war, the German authorities, coming in touch with this question, have agreed to a very broad interpretation of this terminology so that in all cases where the connection with the ground was not very strong and unbreakable so that by its removal the object was not destroyed, they consented to it that the object was mobile.

This state of self defense must also be acknowledged as the reason for the confiscation of immobile *privately owned property* (principally machines) in which respect by analogous application of the regulations about the confiscation of mobile privately owned property (Article 53, paragraph 2) also a compensation has to be paid.

The employment of *Polish workers in armament industries* can in no way be regarded as a breech of the letter or meaning of the Hague Convention. The regulations of Article 52, paragraph 1, which say that services by inhabitants for the needs of the occupying army can be requested contain only the limitation that the population cannot be requested to take part in warlike actions against their own country. Even if the work in armament industries—the production of war materials for the enemy —can be regarded—in a very broad interpretation as participation in actual warfare—this employment of Polish workers in armament industries will not be a breech of the Hague Convention because *no force* whatsoever was applied against the workers but all—as shown in part III and V—offered *voluntarily* to work.

PARTIAL TRANSLATION OF DOCUMENT EC-344-16 & 17

Copy

Chief Wi. Rue. Amt Berlin, 20 August 1940

Re: Report summarizing experience with "German Armament Industry in Poland 1939/40"

Distr. to Staff
Wi
Rue
Ro
W. Preispr.
} with cc for the groups

I have ordered Rittmeister Varain to draw up a report regarding our experience with the armament industry of Poland, the structure, organization and achievements.

The following records which are on file with the Wi Rue Amt have been used as the basis

1. The preparations for mobilization

2. The activity of the VO (liaison officer) with the OAK's
3. The activity primarily of the Rue In Oberost

I request the departments and groups to inform Rittmeister Varain by *28.8.1940* of all records in their possession with indication of subject matter (e.g. Survey Report of the VO), the file number (e.g. Vol. 16a) and the department having prepared the record (e.g. Rue. II c). This refers also to material which is already filed away in the record basement. Negative answer requested.

Rittmeister Varain will contact the departments regarding loan of the records for a short time.

If there are no special records concerning only Poland, attention must be called to material relative to this matter contained in other records and is to be loaned upon request in the individual cases.

As far as data are required directly from the Rue. In. Oberost they will be requested from this agency in case of need or will be used on the spot in Krakow.

(signed) THOMAS

cc: Rue.In.Oberost
(Nachrichtlich)

REPORT BY CAPTAIN DR. VARAIN FOR GENERAL THOMAS ON "GERMAN ARMAMENT-ECONOMY IN POLAND" 1939–40, PART III B, P. 29, 30. [25.11.41]

In the first interview which the chief of the Central Division and the liaison officer between the Armament Department Upper East and the Chief Administrative Officer (subsequently called Governor General) had with Minister Frank on October 3, 1939 in Posen, Frank explained the directive, and the economic and political responsibilities which had been conferred upon him by the Fuehrer and according to which he intended to administer Poland. According to these directives, Poland can only be administered by utilizing the country through means of ruthless exploitation, deportation of all supplies, raw materials, machines, factory installations, etc., which are important for the German war economy, availability of all workers for work within Germany, reduction of the entire Polish economy to absolute minimum necessary for bare existence of the population, closing of all educational institutions, especially technical schools and colleges in order to prevent the growth of the new Polish intelligentsia. 'Poland shall be treated as a colony; the Poles shall be the slaves of the Greater German World Empire.' When the representative of the Armament Office remarked that the Polish armament industry could be a valuable asset to the German armament industry, as had been established on the basis of the existing reports of the liaison officers, the Governor General rejected this argument because of political considerations. However, Minister Frank agreed to support the efforts of the Armament Inspection Upper East to participate in the securing and deportation of all materials, machines, etc. It seems that the reason for Frank's opinion was that the war would be a short one and that it was most important now to make available as soon as possible raw materials, machines and workers to the German industry, which was short in all of these. Most important, however, in Frank's opinion, was the fact that by destroying Polish industry, its subsequent reconstruction after the war would become more difficult, if not impossible, so that Poland would be reduced to its proper position as an agrarian country which would have to depend upon Germany for importation of industrial products.

PARTIAL TRANSLATION OF DOCUMENT EC-347

Economic Staff, East 6000 copies
(OKW/WiAmt/Z 1/II Nr. 6250/42 geh.)

SECRET
DIRECTIVES
FOR THE OPERATION OF THE ECONOMY
IN THE NEWLY-OCCUPIED EASTERN TERRITORIES
(Green Folder)
Part II (3rd edition)
Supplementary Material to Part I
Berlin, September, 1942

* * * * * * *

PART II

Directives as Well as Fundamental Decrees and Orders of the Reich Minister for the Occupied Eastern Territories Concerning the Eastern Territories Under Civilian Administration

A. Excerpts from the Directives of the Reich Minister for the Occupied Eastern Territories for the Civilian Administration (Brown Folder, Pt. I, pp. 25–30)

1. *General*

The principal task of the civilian administration in the occupied Eastern territories is to represent the interest of the Reich.

This basic principle is to be given precedence in all measures and considerations. Therefore, the occupied territories, in the future, may be permitted to have a life of their own in a form not as yet to be determined. However, they remain part of the greater German living space and are always to be governed according to this guiding principle.

The regulations of the Hague Convention on Land Warfare, which concern the administration of a country occupied by a foreign belligerent power, are not applicable, since the USSR is to be considered dissolved, and therefore the Reich has the obligation of exercising all governmental and other sovereign functions in the interests of the country's inhabitants. Therefore, any measures are permitted which the German administration deems necessary and suitable for the execution of this comprehensive task.

* * * * * * *

High Command of the Army 19 November, 1941.
Gen St d H/Gen Qu
Az. L/498 B (Qu 3/III)
Nr. 1. 36201/41 geh.

Concerning Seizure and Transport of Raw Materials from the Occupied Eastern Territories

The raw material situation makes it imperative to bring into, and utilize for, German war economy, all available quantities of non-ferrous metals—in particular, copper, zinc and their alloys—and also of textiles, leather, rubber, mineral oil, etc. Satisfactory results of the campaign of collecting scrap, old metals and other used materials can be expected only if forces of the army and of the RAD are made available to the organization for the seizure of scrap and old metals in the occupied territories (Major Schu), appointed by the Reich Marshall of the greater German Reich, representative of the Four-Year Plan. The actual collection must be done by prisoners of war and the civilian population. * * *

1. In the entire field of operations, collection and utilization of metals must be executed with all available forces. Factories, buildings, etc., must be ruthlessly stripped.

Factories and other enterprises are excepted which are necessary for supplying the army (munitions, armaments and leather factories) and for executing the principal economic tasks (the mineral oil economy, the food economy, as also those industries which constitute the foundation for the mineral oil and the food economy).

* * * * * * *

J. *Food Supplies for the Civilian Population in the Occupied Eastern Territories*

(Special Decree of the Economic Staff, East,
dated 4 November, 1941)

The following regulations are decreed for food supplies for the civilian population in the occupied Eastern territories, *with the exception of the three former Baltic states.* The regulations replace special decree, No. 31 issued by Wi Stab Ost/Fue/La No. 3584/41 of Sept. 4, 1941.

The Reich Commissars for the Ukraine and Ostland will act upon these regulations, the latter only in the old Russian and former Polish territories.

Food Supplies for the Civilian Population

Ruthless looting and destruction by the Bolsheviks have most seriously dislocated economic life and transportation in the occupied Eastern territories. Misery and distress have been the inevitable consequence for the population, especially in the large cities. Responsibility for this rests exclusively with the Soviet rulers who gave the orders for senseless destruction.

It is nevertheless the task of the economic agencies in the zone of operations to safeguard the feeding of the population, insofar as this is possible without prejudice to German interests.

No special food supply regulations are required for the rural population, since it will be in a position, in general, to supply itself. The food supply of the urban population must definitely take second place after the requirements of the Wehrmacht and German agencies, and the delivery quotas for the Reich.

The following maximum ration scales, which can only be applied under the above qualifications, will provide the basis for urban food supplies:

Weekly Maximum Ration Scales (in grams)

a. For consumers not engaged in any significant work:

Meat and meat products	none
Fat	70
Bread	1500
Potatoes	2000

b. For consumers performing useful work:

Meat and meat products	100
Fat	100

In area of Army Groups, North & Center

Bread	1500
Potatoes	4000

In area of Army Group, South

Bread	2000
Potatoes	2500

c. For consumers permanently engaged on heavy manual work: (Supplements additional to b)

Meat and meat products	100
Fat	50
Bread	500
Potatoes	1000

d. For children under 14 and Jews:
(50% of the maxima as under *a*)

Other products than those listed above may only be allocated to the urban population after other requirements have been satisfied.

It has to be particularly taken into account that:

a. The food and transport situation does not permit a generous treatment of the civilians, and any allocations in excess of the maxima fixed above would result in unbearable disadvantages for food supplies to Germany.

b. Wehrmacht stocks or those earmarked for Wehrmacht or Reich consumption must on no account be drawn upon for feeding the civilian population.

c. The population itself in many cases still disposes of hoards, since, during the evacuation of the Russian forces, existing food stocks were distributed to, or looted by, the population. Therefore, genuine distress will in general only occur later on.

The following specific rules are laid down in agreement with the OKH (Quartermaster-General):

1. The Commandants or other agencies concerned determine as quickly as possible the number of inhabitants and report it to the local Economic Commands or Agricultural Leaders. A percentage of the population, which will depend on local conditions but is not to exceed 20%, is to be recommended for the highest ration scales as under *b*) above. Supplements as under *c*) may only be granted to the staff of enterprises which continue operations for German benefit (e.g. armaments plants).

2. Responsibility for procuring food supplies for the civilian population rests with the Economic Commands (Groups La) and their subordinate local Agricultural Leaders.

3. The Economic Commands (Groups La) determine the weekly ration scales which can be made available after provision has been made for other requirements (Wehrmacht, Reich delivery quotas, etc.), within the maximum scales fixed above. They also determine the percentage of the population which is to qualify for the increased maximum scales according to *b*). Finally, as soon as the necessary data can be obtained, they will limit supplementary rations as under *c*) exclusively to those workers of plants operating for German benefit who, according to German domestic regulations, would qualify for heaviest workers' supplements. In determining the weekly rations, the following has to be observed:

For the initial period, the rations are to be kept as low as possible, in order to force the population to use up its own hoarded food supplies and to prevent encroachments upon Wehrmacht requirements, which are difficult to meet in any case because of the transport situation.

Meat and fat are not to be issued at all for the time being. Potatoes, as far as possible, are to be replaced by beets of all kinds, bread by buckwheat and millet. Gradually the rations can then be raised up to the maximum scales fixed above.

4. The quantities of foodstuffs calculated on the basis of the population figures determined as under 3) will then be released for civilian consumption. The distribution of released food to the population will take place exclusively through the native administrative agencies and distributive services.

For a better utilization of the food allocated, essential plants, if at all possible, will institute factory canteen feeding. In other cases too, when circumstances permit, communal feeding will be given preference.

5. Transportation needed for civilian food supplies is to be taken from local resources. Motor vehicles of the Economic Commands, local Agricultural Leaders or military vehicles may not be used for this purpose.

6. The population is to be instructed by suitable propaganda media (wall posters, etc.), that the blame for the food supply difficulties is to be found entirely in the destruction and dissipation of food stocks and equipment by their own compatriots.

7. Exceptional provisions for the feeding of Russian workers and employees are contained in the decree OKH/Gen St d.H/Gen Qu Az.1/833/41 IVa (IV, 1) of Aug. 23, 1941; and for the feeding of Soviet prisoners of war in the decree OKH/Gen St d.H/GenQu/IVa (III, 2) Az. 960 Nr. I/23 738/41 geh. of Oct. 21 1941.

The additional food requirements under these regulations are to be balanced by a corresponding reduction in the general rations within the areas of the Economic Commands.

(signed) DR. MUSSET

TRANSLATION OF DOCUMENT EC-369

Copy.
RK 717—B 11 Jan. 1939

recorded Berlin
DAY MONTH YEAR TIME Main Telegraph Office
executed 10/1 2020 11/1
Telegraph Service of the German Reich
Telegram from Berlin FD 112/109 10 2002

TO the Fuehrer and Reichs Chancellor
Berlin

The Subscription to the fourth Reich loan of 1938 which ended yesterday did not bring the expected results despite special propaganda. Of the amount of RM. 1500 Millions, taken over by the Reich Loan Committee, a partial amount of RM 415 millions could not be placed through public subscriptions. Of this shortage approximately RM. 275 Millions will be subscribed to through the credit facilities of the Savings Banks and Associations. The banks represented in the Loan Committee hope to be able to sell gradually the balance of RM. 140 millions. The already unsatisfactory result is too further impaired by the fact that approximately RM. 160 Millions of previous loans had to be serviced during the subscription period.

Signed: Dr. Schacht

[Notes written in longhand on document.]
Respectfully submitted to the Reich Minister
[Initialed]

Vorg. RK 707 B LB
S. Ang.v. 14,1
Miss Buge [Initialed]
1. [one word illegible]
1 photostat
remains with the Files
2. Presented to the Fuehrer today
3. Illegible Initials

Berlin SW111, 7 Jan.1939

The President of the Reichsbank Directory

Confidential Reichsbank matter.

To The Fuehrer and Reich Chancellor

Berlin

The Reichsbank, for a long time, has pointed out *the dangers to the currency resulting from overstraining of public expenditures and of short term credits.* At *the end of 1938,* the *currency and financial position has reached a danger point,* which compels us to ask for measures which make it possible to master the *threatening danger of inflation.*

From the beginning the Reichsbank has been aware of the fact that a successful foreign policy can be attained only by the reconstruction of the German armed forces. It (the Reichsbank) therefore assumed to a very great extent the responsibility to *finance* the rearmament in spite of the inherent dangers to the currency. The justification thereof was the necessity—which pushed all other considerations into the background—to carry through the armament at once, out of nothing and furthermore under camouflage, which made a respect-commanding foreign policy possible.

In carrying out this program it was decisive to *prevent signs of inflation,* because an inflation would not only have undermined the confidence in the National Socialistic leadership, but also because nothing can be gained materially through an inflation. At best, an inflation can deceive for a very short time the unexperienced broad masses as to the declining purchasing power of money, but leads then very quickly to an all the greater disappointment. Economically it leads to the destruction of liquid capital funds, it disorganizes the tax revenues and with them the total finances of the state, it undermines the desire to save and therefore renders impossible the placement of government loans, it raises the cost of imported necessary goods and will stop the clearing machinery and its great advantages, so that finally foreign trade comes to a stop.

In order to prevent signs of inflation, the Reichsbank, from the beginning, has insisted on two fundamental requirements:

1. *a control over the money and investment market*
2. *a control of prices and wages.*

In connection with the latter, the first signer of this letter as minister of economy, has urged the reinstatement of a price controller (after the discontinuance of the price control offices headed by Dr. Goerdeler), who was then newly appointed in the person of Gauletier Josef Wagner.

The other requirement has been taken care of by a decision of the cabinet in May 1933, which provided for a control committee presided over by the president of the Reichsbank.

The control over the money and investment market was intended to serve 2 purposes: first, the consolidation of short-term Reich obligations in *the investment market* and second, the placement of short-term Reich notes (Mefo-acceptances etc.) in *the money-market.* The use of the money-market made it possible to place approximately RM 6 Milliarden Mefo-acceptances outside the Reichsbank, in addition to the Mefo-acceptances of approximately RM 6 Millarden which the Reichsbank carried in its portfolio, without burdening the money circulation. This was possible as the Reichsbank declared itself ready to cash at any time Mefo-acceptances, so that the available cash funds of the German economy could find in these acceptances a continuously renewing investment, however temporary.

These *two controls* over the money and investment market on the one hand and over wages and prices on the other hand *operated (functioned) fairly satisfactorily, so long as the German economy had not arrived at the point of full employment.* The production costs remained low due to greater utilization of the productive capacity and industry could cover its working capital requirements from rising operating profits without availing itself of the investment market to any large extent. The effectiveness of the controls however had to decline the closer the German economy neared the point of full and overemployment. The expansion of industrial plants, the employment of unskilled labor and lower productivity due to longer working hours, increased the costs of production, exhausted operating profits and forced industry more and more to replenish its financial requirements in the open investment market, which until then could be held available mainly for the financial requirements of the Reich. The investment market therefore was bound to fail for the increased requirements.

The overemployment of the economy was accompanied by scarcity of materials and labor and by a lowering of the quality. At the same time the relative production of consumer goods for daily needs lagged, *so that the problem arose of increased total wages against a smaller quantity of consumer goods. Fast growing* wages and price increases were the causes of this development. Of course the past increases of prices and wages differentiate. There are a number of goods for which prices have been maintained or probably even were lowered a little and there are labor groups which were not affected by the wave of wage increases for instance certain groups of the textile industry. However among other labor- and merchandise-groups, wage- and price-increases took place which especially lately assumed very extraordinary proportions. These increases become especially evident during the last 10 months of 1938. *Beginning in March* and through the period of the Austrian and Sudetenland invasion and the actions connected therewith, *the wage- and price structure totally fell apart.* Also, it is regrettable that a *slackening* or even a *return to the former basis* is not *noticeable* after the termination of our foreign political actions.

In regard to investments in stock on hand to which must be added the stock for armaments, the price increases are due to the excess of orders and the pressure for quick production. These demands have caused the failure of all planning by the authorities placing the orders, as well as the firms executing them. The parties placing the orders force the manufacturers to corner material and labor which has caused *an excessive price- and wage racket* because of the shortage of material and labor. In the field of consumer goods increases in prices were due to lack of sufficient quantity and quality. Especially in the field of *daily requirements* for the home and clothing, the lack of supply and above all the decline of quality is most evident. Children clothes, workers clothes etc., which formerly lasted for years last now only months, but cost the same or even more than the former good merchandise. On top of it, the well paid laborer overbids the less fortunate worker, which creates much ill feeling especially as far as food is concerned.

The currency however is endangered to a decisive degree by the unrestricted *public expenditures. The unlimited growth of the government* expenditures nullifies each attempt for an orderly budget, it brings *the government finances to the verge of bankruptcy* despite a tremendous increase in taxes and it *undermines the Noten-bank and the currency.* There is no "recipe" for system of financial or money technic, regardless how ingenious or well thought out it may be, there are no organization or control measures, which would be effective enough, to prevent the disastrous effects on the currency caused by a policy of unlimited expenditures. *No note-issuing bank is capable of maintaining the currency standard against an inflationary policy of expenditures by the government.*

Due to *Treasury deficits* running into billions [Milliarden], the Minister of Finance, during the last months, was continuously placed in the position to declare insolvency or to cover the deficit in the Reich finances through inflationary means of using the printing press (to issue money). Unfortunately, the Reichsbank can prevent this in the following field. The above-mentioned placement of approximately *RM 6 Milliarden* MEFO acceptance-Bills in the money market was possible only with the promise of the Reichsbank to honor them (The MEFO acceptance-Bills) at any time (against cash). Should it be necessary for the Minister of Finance because of excessive expenditures, to draw funds from the institutions with which MEFO acceptance-Bills have been placed, then these acceptances will be presented to the Notenbank and will cause an inflationary increase of money in circulation. The ingenious and risky structure, which the Reichsbank organized to finance the armament, is consequently being shaken in its very foundation.

Furthermore to prevent the danger of inflation, provisions had been made, to redeem the MEFO acceptance-Bills 5 years from date of issuance. We are however faced with the fact that approximately *RM 3 Milliarden* of such acceptances cannot now be paid, though they will be due in 1939. Thus one of the most important correctives to prevent inflation, becomes ineffective, and one of the basic conditions, under which the early financing of the government expenditures through the Notenbank seemed bearable no longer exists.

The *overall German exchange* position at the present is therefore as follows:

1. *Foreign:* gold or foreign exchange reserves of the Reichsbank are no more in existence. *The unfavorable balance of imports over exports is increasing fast. Exports no longer equal the value of our necessary imports. The reserves, created through the annexation of Austria and the requisition of foreign securities and domestic gold coins, are exhausted. The receipts for foreign exchange, which were issued by the control office* [Devisenstellen] at the time of importation, are today, to a greater part, *not covered by actual income of foreign exchange* and therefore run the risk, that some day they cannot be paid due to lack of foreign exchange. Therefore the last foreign credit to cover our imports of goods would then be ruined.

2. Domestic: the assets of the Reichsbank consist almost in total of government securities (mainly MEFO acceptance-Bills). The *Noten*bank (note issuing bank) is therefore *totally blocked* and will not be in the position *to grant the necessary credits when so required by commerce and industry.* Exclusive of *the Reichsbank,* there *are approximately RM 6 Milliarden* MEFO accept-

ance-Bills which can be discounted against cash payment at any time at the Reichsbank, which fact *represents a continuous danger* to the currency.

On January 1, 1933, the *currency in circulation* amounted *to 3560 Million Reichsmark.* Up to *March 1, 1938 it increased to 5278 Million Reichsmark.* This increase of approximately *1,7 Milliarden Reichsmark* in more than 5 years did not cause any mistrust in the currency policy, because during the same period the production of German industry almost doubled and there was not only an increase in the production of capital goods but also in the production of consumer goods.

From March 1, to December 31, 1938, however, the currency circulation rose to *8,223 Reichsmark,* that is without including *2 Milliarden Reichsmark* required for Austria and the Sudetenland. *It therefore increased during the last 10 months* more than *during the preceding 5 years.* The relationship of currency in circulation to the production of consumer goods alone is of vital importance to the stability of the currency value. Provided the currency circulation increases faster than the consumer goods production then an increased purchasing power is available to the total number of consumers against a lesser amount of goods offered, which must cause prices to rise. Covering the expended money with real estate, securities, etc., cannot retain the currency value as is clearly evidenced by the history of the assignate money of the French Revolution where in spite of forced rates, severe penalties, etc., a complete depreciation of currency occured.

While an increase of public expenditures during the two great actions in Austria [Ostmark] and Sudentenland was a matter of necessity, the fact, that after the termination of these actions a reduction of the expenditures is not noticeable, makes it now our imperative duty to pay attention to the effects on the currency, because all indications are that a *further extension of the expenditures is* planned.

It is not our duty to prove to what extent an *unrestrained policy of expenditures* is compatible with the income and savings of the German economy or with the social requirements of the population. However it is our responsibility, to draw attention to the fact that a further use of the Reichsbank, be it direct or through requisitioning of the money market otherwise, is not compatible with a sound currency policy, but must lead direct to the road of inflation. The undersigned directors of the Reichsbank agree that, while they have gladly cooperated to *attain* the great goal, it is now time to put a stop to it. An increase in the production of goods is not possible by the increase of paper money (scraps of paper). By increasing the circulation of money and in view of the already fully taxed and even overtaxed German industry, one can only increase prices and wages but not production.

We are convinced that the effects on the currency caused by the policy of the last 10 months can be mended and that the danger of inflation again can be eliminated by strict maintenance of balance budget. The Fuehrer and Reich Chancellor, himself, has publicly rejected, again and again, an inflation as foolish and fruitless (useless). *We therefore ask for the following measures:*

1. The Reich as well as all the other public offices *must not incur expenditures or assume guaranties and obligations that* can not be covered by taxes or by those funds which can be raised *through loans without* disturbing the longterm investment market.
2. In order to carry out these measures effectively, full financial control over all public expenditures must be restored to the Reich Minister of Finance.
3. The price and wage control must be rendered effective. The existing mismanagement must be eliminated.
4. The use of the money and investment market must be at the sole discretion of the Reichsbank.

(signed) Reichsbank-Directory
Dr. Hjalmar Schacht Dreyse Pocke Ehnhard Puhl
[illegible] Blessing

Reich Chancellery
Rk 11 B g now RK 717 b, 707 B

Berlin, January 14, 1939

Secret

1. to

a. Mr. Reich Minister of Economy Funk—personally!—

b. Mr. Secretary of State Reinhardt c/o Mr. Government Counsel Guendel—personally!—

re *a.* Dear Mr. Reich Minister!
re *b.* Dear Mr. Secretary of State.

see RK 1628

Brk
Kpl./Brk
14.1. enclosed in each one copy [initials]

With reference to the long distance telephone conversation, which Mr. Reich Minister Dr. Lammers had with you, I am pleased to enclose, by order of the Reich Minister, the photostat of a petition addressed to the Fuehrer by the directors of the Reichsbank, which please keep confidential.

Heil Hitler
Respectfully yours
Signed: Kritzinger
Ministerialdirektor

2. *after making copies*

Obediently submitted to the Reichminister for his information
3 Z.d.Vorg (N.d.H.Min.Dir.Kritzinger)
8 initials

Reich Minister
s RK 1628 B II

Berlin, January 19, 1939

1
RK 27 B g Rs
now RK 1628 B

secret matter of state

To the Fuehrer and Reich Chancellor

Respectfully submitted together with the two certificates of dismissal for the Reichsbank President,
Reichsminister Dr. Schacht.

I was unable today to reach Dr. Schacht via long distance, but I informed him by telegram and his housekeeper by messenger, that you, my Fuehrer, are expecting him tomorrow morning at 9 o'clock.

½ Bg
19.1 Bg.
one copy submitted to Min. Dir. Dr. Meerwald
2. 2 telegrams of the Reich service: Reichsbank President
Dr. Schacht

a. Berlin SW 111 Reichsbank
b. Berlin-Dahlem, Vogelsang 9

Fuehrer expects you tomorrow Friday morning nine o'clock
Reichsminister and Chief of the Reichschancellery
Dr. Lammers
(N.d.H.RMin.)

3. Z.d.A.

Copy of Telegram
(German Reich Post)

To Reichsbank President Dr. Schacht
Reichsbank Berlin C 111

During the night
free of charge
Reich Chancellery

Fuehrer expects you tomorrow Friday morning 9 o'clock
Reichminister and Chief of the Reich Chancellery
Dr. Lammers

19.1.39
at 23.35 o'clock transmitted by telephone to the Main Telegraph office
initialed 19/1

belongs to file RK 27 Bg. Rs

Copy

Reich Minister
RK 1628 B

Berlin, January 20, 1939

1. The Fuehrer has today signed the enclosed decree.

It will *not* be published

2. To the Reichsbank Directory Berlin SW 111
enclose—1—photostat

I am pleased to enclose, in photostat, a decree by the Fuehrer dated January 19, 1939 of which please take notice.

At the same time I have the honor to inform you that the Fuehrer has recalled from office the President of the Reichsbank Dr. Hjalmar Schacht in accordance with paragraph 6 section 7 of the banking act and has appointed to the presidency of the Reichsbank, Walther Funk, who retains his office as Reich Economic Minister.

The Fuehrer has further recalled from their offices, the members of the Reichsbank Directory, Vice-President Dreyse and Reichsbank Director Huelse.

[handwritten note]:

"A copy of the letter covering 1 and 2 has today at 11 o'clock been handed by me to Mr. Vice President Dreyse" [initialed]

Copy

RK 1628 B

3. To Mr. Vice President of the Reichsbank Directory Dreyse Berlin SW 111

Dear Mr. President:

The Fuehrer has recalled you from your offices as member of the Reichsbank Directory in accordance with paragraph 6 section 7 of the banking act.

Please allow me to enclose the certificate of your dismissal

Heil Hitler

Respectfully yours

enclose 1 copy.

4. To the member of the Reichsbank Directory Mr. Reichsbank Director Huelse Berlin SW 111

Dear Mr. Reichsbank Director (same as 3)

enclose 1 copy

5. *a.* Mr. Min. Dir. Kritzinger [initialed]

b. Mr. Reichscabinet Counsel Dr. W . . . [initialed]

please take notice.

6. Z.d.A. (N.d.H.RMin.)

Jan. 10, 1939 (stamped)

now RK 707B

1 enclosure (double)

Secret!

REICHSBANK-DIRECTORY

Berlin, SW 111, Jan. 7, 1939

Respectfully submitted to Reich Minister

[initials illegible]

We are pleased to enclose a petition to the Fuehrer and Reich Chancellor signed by the members of our board which you will please submit to the Fuehrer at your earliest convenience. We enclose a special copy for your own information.

Reichsbank Directory

(signed) Dr. Hjalmar Schacht Dreyse

Miss Buge [some words illegible]

Pencil notes:

1. Presented today to the Fuehrer
2. Decision of the Fuehrer appears in the enclosed decree of the Fuehrer today and the dismissal and appointment documents dated Jan. 20, 1939.
3. Illegible initials

To the Reich Minister Dr. Lammers, Chief of Reich Chancellery, Berchtesgaden

Bank 12 [illegible pencil notes]

TRANSLATION OF DOCUMENT EC-376

Copy

The Reichs and Prussian Minister of Economics

Berlin, 11 December 1936
W 8, 43 Behrenstr.
T4 12
G.O. GW 14.12.36.

To All Supervisory Offices,
(Excerpt I—VI)

To remove all doubts I once more notify you about the co-operation with the office for German raw and synthetic materials, with the Reichs Commissioner for price control and with the business groups for distribution of raw materials of the president of cabinet council Supreme Commander Goering who is the deputy-in-charge of the Four Year Plan, as follows:

The supervisory offices are obliged to accept instructions from me only. They must answer all official inquiries of the office for German raw materials in order to give any information at any time to the fullest extent. If requests are directed by the office for German raw and synthetic material, the Reichs commissioner for price control or the business groups for distribution of raw materials to the supervisory agencies with which these offices agree in accordance with instructions and directives given by me, I herewith authorize the supervisory offices to take the necessary measures for themselves. In case doubts should result from requests of the above offices and these doubts cannot be removed by oral negotiations with the specialized workers of that office, I should *immediately* be informed. I then will order in each case the necessary steps to be taken.

Charged with the business management
(signed) Dr. Hjalmar Schacht
President of the Reichsbank.

TRANSLATION OF DOCUMENT EC-383

MILITARY WEEKLY GAZETTE
[Militar-Wochenblatt]

Founded 1816
Editorial Administration
Berlin SW 68, Kochstrasse 68-71
Telephone: A 1 Jager 7591

[in pencil] I. Schacht
Berlin, 16 January, 1937

Most esteemed Colonel:

In accordance with your wish, we are sending the article about

Dr. Schacht back to you with our best thanks. It will appear on 22 January in "Militar-Wochenblatt" No. 28.

With German greetings,
Devotedly,
Tillmanns
Major Gen., ret.

Enclosure:

Dr. Hjalmar Schacht

On 22 January, Dr. Hjalmar Schacht, the President of the German Reichsbank, entrusted by the Fuehrer and Reich Chancellor with the direction of the Reich Economics Ministry, will celebrate his 60th birthday.

When the history of our age comes to be written, his person will play a special role in it. President of the Reichsbank at a time when the German currency, which had collapsed in the inflation, had to be built up again, guardian of this currency in the system period as long as he was able in any manner to reconcile it with his conscience, adviser to the Fuehrer in the period of struggle, again Reichsbank president and director of German economic policy and, as such, finally, the man who made the reconstruction of the Wehrmacht economically possible—truly a career that, running through all depths and heights, elevates this man to one of the most significant phenomena of our day.

The German Defense Force commemorates Dr. Schacht today as one of the men who have done imperishable things for it and its development in accordance with directions from the Fuehrer and Reich Chancellor. The Defense Force owes it to Schacht's skill and great ability that, in defiance of all currency difficulties, it, according to plan has been able to grow up to its present strength from an army of 100,000 men. Together with the pro-Defense Force Reich Finance Minister, President Schacht insures the provisioning of the Defense Force and is a helpful and energetic adviser to the leading military agencies in all defense industry questions. The will of the Fuehrer to bring the Defense Force up to ever greater strength is also a first commandment for Schacht; his economic policy is sound defense policy.

The Defense Force [Wehrmacht] wishes for this great political economist and warm friend of the Defense Force that many years of activity for the good of Fuehrer and people, Reich and Defense Force may still lie before him. He should know on this day that the Defense Force thinks of him with gratitude and cordiality.

TRANSLATION OF DOCUMENT EC–384

Secret Reich Matter

Copy of GB 151537 g. Rs.

20 copies
11th copy

A re-examination, made by the two undersigned at the instance of the Fuehrer and Reich Chancellor, of the basic questions raised earlier, which are hereby settled, has shown that the tasks of the Deputy for the Four Year Plan and the tasks of the Commissioner General for War Economy are being solved in closest mutual cooperation. Moreover, no doubt exists about the fact that the Commissioner General for War Economy has the position of a supreme authority of the Reich.

Signed: Hermann Goering.
Berlin, 7 July 1937. Signed: Dr. Hjalmar Schacht.

TRANSLATION OF DOCUMENT EC–397

Berlin, 19 January 1939

Dear Mr. Minister!

On the occasion of your recall from office as President of the Reichsbank Directory I take the opportunity to express to you my most sincere and warmest gratitude for the services which you rendered repeatedly to Germany and to me personally in this capacity during long and difficult years. Your name, above all, will always be connected with the first epoch of the national rearmament. I am happy to be able to avail myself of your services for the solution of new tasks in your position as Reichsminister.

With German Greetings
Your
(Signed) A. Hitler

To Mr. Reich Minister
Dr. Hjalmar Schacht
Berlin

TRANSLATION OF DOCUMENT EC–398

In the Name of the German People

According to section 6 of the banking law I dismiss you as president of the board of directors of the Reichsbank.

Berlin, January 20, 1939
The Fuehrer and Reich Chancellor
(Signed) Adolf Hitler

To the President of the board of directors of the Reichsbank,
Reichminister Dr. Schacht

(Signed) Dr. Lammers

The Reich Marshal of the
Greater German Reich, Commissioner
for the Four Year Plan

Berlin, W.8., July 8, 1942.
Leipziger Str. 3
Telephone 12 63 41, 12 70 71

Top Secret
Special Delivery Letter

To: The High Command of the Armed Forces
a. c/o Division Chief Tischbein, or his acting representative.
b. c/o General of the Infantry Thomas, or his acting representative.

Re: Confiscation of Belgian gold.

The high demands on gold and foreign exchanges, which have currently been made for purposes of importance to the war, have led to a considerable straining of the reserves. Also the taking over of the gold supply of the Dutch Bank, which has meanwhile been put into effect and which has taken place in monthly instalments under the title of "contribution to the battle against Bolshevism" cannot again replace the reserves to the absolutely necessary extent.

The already often discussed taking over of Belgian gold, all of which has meanwhile arrived in Berlin at the equivalent value of 545 million Reichsmarks and has been taken into custody by the Reichsbank as a regular deposit [depositum regulaire] for the Belgian National Bank, can therefore not be postponed any longer. Legally speaking, three ways can be taken for the confiscation of the gold, namely:

1. the sale of the gold through the Belgian National Bank to the Reichsbank;
2. the claiming of the gold from the Belgian Chief Secretaries under the title of "external occupation costs" or as an anti-bolshevistic contribution; and
3. requisition on the basis of paragraph 52 of the Hague Regulation concerning land war.

The Military Commander in Belgium and Northern France, General of the Infantry van Falkenhausen, with whom I have thoroughly discussed the whole matter on June 26th in Brussels, is of the opinion that the directors of the National Bank, and presumably also the Chief Secretaries, would resign if they were forced by the German Commissioner at the National Bank to sell the gold to the Reichsbank. The Military Commander has the same fear in case of a claiming of the gold under the title of occupation costs. Since the resignation of the Chief Secretaries is not desired, the Military Commander has requested that we refrain from both of these ways.

In the case of a requisition of the gold on the basis of paragraph 52 of the Hague Regulation concerning land war, the Chief Secretaries would not have to cooperate. They would simply have to acknowledge the requisition. For this reason their resignation might in this case presumably be avoided. The requisition of the gold is also permissible according to international law—that is the opinion of the legal division of the Ministry of Foreign Affairs, which was communicated to me by the Ministry of Foreign Affairs by means of a special delivery letter on the 18th of June, 1942—Ha Pol 3400/42 g—and a copy of which I enclose for your information.

The Military Commander therefore considers requisition the proper way and is prepared to take it, if he—in view of the significance of this matter — receives the appropriate assignment from the High Commander of the Army. I therefore request that the Military Commander in Belgium and Northern France be ordered to push aside, in favor of the German Reich, the claim of the Belgian National Bank over and against the Reichsbank for delivery of the gold at the weight of rd. 209.5 and to inform the Belgian Chief Secretaries of this.

The delivery of the gold will be confirmed to the Belgian National Bank by means of a certificate. At the request of the Military Commander I declare myself in agreement with the provision that we refrain in the meantime from demanding of the Belgain Chief Secretaries that they redeem this certificate under the title of occupation costs. [marginal note: The decision as to the reckoning of the value of the gold as well as the form of this reckoning is reserved for the future.]

The proposal brought forth in this connection by the Military Commander that, in the interest of a planned economy corresponding to the wish of the Belgian National Bank, the Reichskreditkassenscheine be called in from use either de jure, by doing away with the necessity of their acceptance as legal means of payment, or de facto, by means of not honoring them after this fact has become known, [this proposal] will be taken up for consideration and decided by itself because of the far-reaching retrograde effects of such a measure on other occupied territories.

The Ministry of Foreign Affairs, the High Command of the Armed Forces, the Board of Directors of the Reichsbank, the Reich Minister of Finance, as well as the Reich Minister of Economy have received copies of this writing and have been requested to express their opinions in regard to the calling in of the Kreditkassenscheine.

Representing
(signed) NEUMANN

To the High Command of the Army
c/o Division Chief Sarnow or his acting representative.

The above copy I am sending for your information and with the request that you express your opinion in regard to the question of the invalidation of the Kreditkassenscheine in Belgium.

Representing
(signed) NEUMANN

COPY

The Ministry of Foreign Affairs
Nr. Ha Pol 3400/42 g.

Berlin W 8.
18th June 1942.

Special Delivery Letter

SECRET

In regard to the question of the Belgian gold an expression of opinion on the part of the Legal Division of the Ministry of Foreign Affairs is herewith sent to you for your information with the request that you express your opinion in this matter.

By order of

(signed) DUMONT

To the Reich Marshal of the Greater German Reich,
the Commissioner for the Four Year Plan,
c/o the Ministerial Counsellor Kadgien,
the Directors of the Reichbank, c/o Director
Reinel—one [enclosure] for each.
Enclosure to V.P. 11799 g.Rs.

COPY

ACCOUNT [Description]

A series of misgivings confront the proposal that the gold of the Belgian National Bank be appropriated as occupation costs.

In case the transactions with the Belgian Chief Secretaries are postponed to a later time, the possibility of using the gold will correspondingly be delayed. In case the Belgians refused our demand of payment of the occupation costs in gold—which apparently can happen—we would have to use pressure in regard to Belgium, which, if used at all, would give the gold transaction an unpleasant character. The actual establishment of the payment of the occupation costs in gold would still not create any automatic liability on the part of Belgian National Bank with its gold. Rather it would of necessity occasion the Belgian Chief Secretaries to purchase gold needed for the payment of occupation costs from the Belgian National Bank. It seems questionable that they would be ready to do this.

These difficulties could be avoided if we appropriate the Belgian gold by means of requisition through the Military Commander in Belgium and Northern France. Since the foreign banks of issue are treated by Germany, at the request of the Reichsbank, as non-governmental organization, a requisition on the basis of article 52 of the Hague Regulation concerning land war could be considered. Such a requisition is a one-sided measure on the part of the occupying power, as a consequence of which no transactions with the Belgians are necessary. The claim of the Belgian National Bank to the delivery of the gold which it has on its account in the Reichsbank would have to be pushed aside, since the Military Commander is not empowered to undertake requisitions in the territory of the Reich. The requisition would have to be based in specie on the determined amount of gold in account here, since only then is the provision of payment in kind according to Article 52 of the Hague Regulation concerning land war satisfied and in this fashion an eventual Belgian objection that money claims cannot be requisitioned would be invalidated. In order to fulfill the provision for the use of payments in kind for the needs of the army of occupation, as contained in Article 52, one could if necessary tell the Belgian that the Military Commander will confer with the Reichsbank about the use of the requisitioned gold. That the requisition is proportional to Belgium's resources is not to be questioned.

The Military Commander would have to issue a confirmation of receipt to the Belgian National Bank according to Article 52, paragraph 3. The question as to whether the German Reich or the Belgian State effects the payment of the owed sum can be reserved for later consideration. A shoving off of the payment upon the shoulders of the Belgians would be entirely in agreement with Article 52 of the Hague Regulation concerning land war, since it is herein not determined, who in the end has to pay payments in kind.

In case one takes the ways of requisition, one must then get in touch with Bank of France. It is an established fact that the Bank of France apropos of the transaction undertaken at the end of the year 1940 has renounced all claims in regard to the

Reichsbank. It is under obligation only to the Belgian National Bank. As far as the lawsuit of the latter against the Bank of France in the United States of America is concerned, the Bank of France in the case of a requisition on the part of Germany would not be able to maintain that its status had been impaired, since the requisition represents an act of war, the condition of war existing between Germany and Belgium must reckon in regard to the delivery of the gold.

TRANSLATION OF DOCUMENT EC-404

The Reichwehr Minister

[Stamped]
9 Feb. 1934

Berlin
7 Feb. 1934
50 copies
14th copy

Stamped
WaWi
12 Feb. 1934

Secret Command Matter

Minutes of Conference of the sixth session of the Working Committee of the Reich Defense Council

[Footnote: "the reports of the individual departments are repeated in form of excerpts"] [Stamp on bottom of first page: No. 279/34 g. Kdos. Wa Wi"]

time:	23 Jan. 34	Beginning	10:15 A.M.
	23 Jan. 34	End	13:10 P.M.
	24 Jan. 34	Beginning	10:15 A.M.
	24 Jan. 34	End	13:50 P.M.

Participants:

Reichswehr Ministry:

Troop Office:
Lieutenant General Beck
Colonel v. Gossber (only on 24 Jan.)
Lt. Col. Stapf
Lt. Col. Niedenfuehr
Lt. Col. Jodl
Ministry Counsellor Dr. Weber
Maj. Zorn
Maj. Wagner
Maj. Richter (only on 24 Jan.)
Maj. (retired) Gercke
Capt. Wolff
Capt. Prueter
Capt. Schmundt

Wehr Office:	Col. Guderian
	Maj. Osterkamp
	Maj. Nehring
	Maj. Nieter
	Maj. Irmisch (only on 24 Jan.)
	Maj. (retired) Punt
	Capt. Koelitz
Minister Office:	Major General v. Reichenau (only on 24 Jan.)
	Col. v. Vietinghoff
	Corvette Capt. Langsdorff
	Major Wable
	Capt. Boehme
	Capt. Count Kanitz
	Capt. (retired) v. Holtzendorff
	Capt. (retired) Heiss (only on 23 Jan.)
Arms Office:	Lt. Col. Stud
	Maj. Warlimont
	Maj. Hauger (only on 24 Jan.)
Administration Office:	Ministry Councillor Reich
	Ministry Counsellor Heufer
"H", Army:	Division Chief Kuethe (only on 23 Jan.)
	"Regierungs" Counsellor Muehle
Navy Administration:	Rear Admiral Dr. (honorable degree) Groos
	Fleet Capt. Knenipel
	Fleet Capt. Ciliax
	Fleet Capt. (retired) Gochle
	Corvette Capt. Horstmann
	Corvette Capt. Nordmann
	Corvette Capt. Machens (only on 24 Jan.)
	Lieutenant Capt. Wagner
	Ministry Counsellor v. Stein
	Ober Regierung Counsellor Beuster (only on 24 Jan.)

Reviewers for the Reich Defense of the Reich Departments and the Prussian State Ministry.

Foreign Office:	Legation Secretary v. Buelow Legation Secretary Haas (only on 23 Jan.)
Reich Ministry of the Interior:	Ministry Counsellor Erbe
Reich Finance Ministry:	Ministry Counsellor Dr. Bender Ministry Counsellor Wapenhensch
Reich Economy Ministry:	Ministry Counsellor Godlewski Regierung Counsel Dr. Barth
Reich Labor Ministry:	Ministry Counsellor Schroeder Reich Labor Office Director Jaspersen (only on 24 Jan.) Lt. Col. (retired) Hofmann Reich Command of the Labor Service
Reich Post Ministry:	Ministry Counsellor Delvendahl (only on 23 Jan.) Lt. Col. Dohne, "V.O." with the Reich Post Ministry (only on 23 Jan.)
Reich Traffic Ministry:	Ministry Counsellor Schmidt Regierung Banrat Walther Reichsbahn Director Dr. Ebeling (only on 23 Jan.) Ministry Counsellor Sussdorf Reichsbahn Oberrat Luettge Maj. Zuckertort, "VO" with the Reich Traffic Ministry
Reich Justice Ministry:	Ober-Regierungsrat Dr. Riese
Reich Ministry for Food and Agriculture:	Ober-Regierungsrat Dr. Dietrich Major (retired) Kriegsheim Staff director of the main division 1 in the Administration Office of the Reich Food Estate

Reich Air Ministry:	Major (retired) Speidel Capt. (retired) Behrendt Regierungsrat Giessler Mr. Heydenreich (only on 24 Jan.) Mr. Tschirsig (only on 24 Jan.)
Prussian State Ministry:	Regierungsrat Dr. Schnitzler
Supreme SA—Command:	Brigadefuehrer Juettner Sturmbannfischrer Count v. d. Schulenburg.

The Chief of the Troop Office
Lt. Gen. Beck: opens the sixth session and welcomes the representatives of the chief of staff of the SA and of the Reichsbahn Administration who are present for the first time.

Pointing to the military political situation, as was stated in the beginning of the fifth session, Lt. General Beck emphasizes that the preliminary work for the Reich defense allows for no delay.

Establishment of the actual state of preparations is the purpose of this session. It represents the basis for the continued work. At the same time, the competence of various offices, particularly in the field of war economy has to be settled definitely.

The questions raised by the Reichswehr Ministry may give some suggestions to the report writers.

Reich Finance Ministry

First Report: Ministry counsellor Dr. Bender

Questions 1–3 deal mainly with measures for the accomplishment of preparedness of financial for war.

Answer: This question is divided in three main groups

a. Financing a mobilization and the need for the first 30 days.

b. Making the funds available.

c. Financing the continued war course.

Measures have not been taken, since decisions of the participating departments chief have not yet been submitted. An examination has been concluded in the Reich Finance Ministry as far as department reviewers are concerned.

Later negotiations with the Reichsbank were taken up with the Reich Economy Ministry participating. At present, preliminary questions are being worked on at the Reichsbank. In about three months, the preparatory work can be finished as far as department reviewers are concerned.

In case of a suddenly occurring conflict, financing of mobilization can be carried out in the shortest time (24 hours). According to the opinion of the department reviewers of the Reichsbank, the inventories of the Reichsbank of piece money (Stueck Geld) (paper money and coins) are sufficient.

At present, statistics are also being compiled to be able to make comparisons with inventories at the outbreak of the world war. Important is the knowledge of Army needs for each single day of the first 30 days of mobilization and for the second and third months of the war. The question of financing later conduct of the war is not urgent, but has to be examined.

The question of to what extent purchases for the mobilization can be made against "Anerkennt-Nisse"—acknowledgments have to be answered from the standpoint of Reich finances to the effect that should be made of them as much as possible.

An early knowledge of the new War Services is very desirable.

Lt. General Beck:

Data on the need of the Wehrmacht (armed forces) have to be compiled speedily.

A draft of the War Services Law will be handed out in February.

Question 4: What Financial and fiscal measures will have the effect of strengthening plants essential for war and of maintaining them?

Answer: Finance political measures: Subsidies, loans and shares.

Fiscal measures:

1. Paragraph 1 of the Reich Taxation Regulations [Reich Abgaben Ordnung] enables the Reich Finance Minister to moderate taxes or to make exemptions from them. Examination of the individual case.

2. The Law of 1 July 1933 (Reichgesetzblatt, Reich Law Bulletin–1 page 323) provides for tax reductions for replacement procurements: Procurement costs of machines may be deducted from the profits.

3. The Law of 15 July 1933 (Reich Law Bulletin) page 491; paragraph 1 provides for tax reduction for repairs in and additions to plant buildings. 10% of these expenditures may be deducted from taxes.

4. Paragraph 3 of the same law authorizes the Reich Finance Minister to grant tax exemptions and reductions.

REICH ECONOMY MINISTRY.

Ministry Counsellor Godlewski:

Starts his report with general statements. At the beginning of the work. A new field. The question of whether to pick up where the war economy of 1918 left off or to start from scratch was in view of the changed circumstances, decided in favor of the second alternative. Since the time limit is set for 1 October 1934, the work is divided in three parts:

1. Statistics on requirements and the possibility to cover it.
2. Draft of plans for filling supply gaps and legal preparations.
3. Preparations for setting up an organization.

The foreign political situation forces us to deviate from the plan and out of the three parts to give preference to the most necessary measures, which can be taken before 1 April 1934. Then the first goal will be followed (on 1 October 1934) by the distant goal, which will have to be:

To provide about 240,000 plants with mobilization orders and a mobilization calendar; to accomplish this work that will take years is necessary.

Regierungsrat Dr. Barth: Takes over in answering the questions.

Question 1a: Status of preparations of organizational measures for the conduct of war economy in its preparatory peace activities?

Answer: Present organization for planning and management of the work:

a. On the highest level: Beside the general review office and the groups for raw material, fuel, finished goods, technical matters, and foreign trade, corresponding committees are to be set up which should be in close touch with the Army Arms Office.

Sub-committees for statistics, prices and skilled workers. Classification of skilled workers who hold key positions is important. The money economy will be regulated with the Reich Finance Ministry and the Reichsbank. The Reichsbank has appointed a full-time administrator. In the Reich Economy Ministry full time assistants to experienced department workers have been appointed, and an increase in their number has been prepared.

b. In the local organization: *Solution for the time being:* Trade inspectors of the provinces [Laender] are temporarily at the disposal of the Reich Economy Ministry. *Final solution:* 14 full-time department workers with eight Prussian Provincial Prefects and six Reich Governors or State Governments (landesregierungen). Details have to be worked out. Funds for this purpose have been requested in the budget for 1934–35.

Question 17b: Status of organizational measures for the con-

duct of war economy in view of a surprisng "A" case, occurring before the conclusion of the planned preparations.

Answer: A plan for further extension has been drafted:

a. Enlargement of the Reich Economy Ministry.

b. Twenty-three War Economy Offices (attached to fourteen Prussian Provincial Prefects and Reich Governors).

Directors: People from the Reich Economy Ministry, from Chambers of Commerce and foreign trade agencies who have to be provided with far reaching power.

c. Establishment of War Economy Offices in countries and country-free cities.

d. Professionals, public-law management agencies at main headquarters. The carrying-out of measures directed at saving of individual raw materials, etc., by assignment, ear-marking and settlement.

The ability to function is only a question of people and space. On paper the organization is set up, it can be ready by 1 May.

Ministry Counsellor Godlewski: To this end assignment of the persons concerned is necessary. Fundamental decision of the question whether this seems possible from the viewpoint of foreign policy.

Lt. Col. Stud: Connection with industry has to be taken up. Proposal: Nothing in writing, the military purpose may not be traceable.

Lt. General Beck: Promises a decision.

Question 2. Status of preparation for legislative measures involved in surprisingly occurring "A" case.

Answer 1: A decree concerning ear-marking and seizure of 38 raw materials, is ready. Others will follow.

2. As to finished products, data for the regulation of consumption (ration coupon system) will probably be ready by the middle of February. Their transformation into a decree is set by 1 April.

3. Decrees with the purpose of facilitating importation and rendering exportation more difficult are ready for 38 raw materials.

4. The price examination decree is ready.

5. The authorization law for the Reich Economy Minister is prepared. Publication of the "War Services Law" by the Reichswehr Ministry is urgent!

Lt. Col. Stud: Supports the proposal and deems it necessary to let go into effect the parts applicable in peace-time.

Lt. General Beck: A draft of the War Services Law will be forwarded to the Reich Ministry in the beginning of February.

Minutes of the 10th Meeting of the Working Committee of the Reich Defense Council.

Time: 26.6.35
Place: Large Conference room of R.K.M.
Begun: 10:00
Ended: 12:40

* * * * * * *

Generalmajor v. Reichenau:

1. Opens meeting and introduces to the Working Committee as new members:

Herr Min. Dir. Dr. Kruemmel, as R. V. special representative (Referent) for the Reich Ministry for Science and National Education (Wissenschaft, Erziehung und Volksbildung)

Herr Director Dr. Mueller of the Reichsbank, as R. V. special representative for the Reichsbank Board of Directors.

He states that, with the exception of the Reich Conservator of Forests [Reichsforstmeister], who has already requested that a R. V. special representative be designated, all the highest Reich authorities are participating in the preparations for and the responsibility for the defense of the Reich and are represented in the Working Committee.

He greets, further, SS-Gruppenfuehrer Heydrich, who was requested for his own enlightenment to take part in the meetings of the Working Committee.

In taking up the newly added fields of activity, Gen. Major v. Reichenau repeats the already frequently expressed plea that, in confident cooperation, not only the demands of the Wehrmacht be supported, but that, also, suggestions for new lines of activity be brought forward from one's own sphere of work and placed before the Working Committee.

He states, further, that the securing of the Wehrmacht's supply bases and the preparation for planned employment of the German people's economic resources are just as important prerequisites for the defense of the German living space [Lebensraum] as are the military preparations proper.

2. There has been a change in the head of Section L of the Wehrmachtsamt and also in its representation in the Working Committee. Oberst v. Vietinghoff gen. Scheel has been succeeded by Oberstlt. Jodl.

3. The information concerning the military situation, desired by certain departments, has been stricken from the agenda because the rapid expansion of the Wehrmacht and the fluid political situation make going into such matters at this time seem in-

expedient. Insofar as information concerning the military situation will help the members of the Working Committee to perform their tasks, it will be furnished them in the course of their cooperation with the individual Wehrmacht offices.

The question of standardization of identification papers has also been dropped from the agenda, since the preliminary work in one of the departments [Ressort] concerned has not yet been finished.

4. Today's deliberations occur at a turning point in the history of our nation, the regaining of military sovereignty and the reintroduction of universal compulsory military service.

The most important legal *foundations* for the restoration of military preparedness and the direction of the nation in war have already been laid.

The compulsory military service law [Wehrgesetz] has already been proclaimed. In addition, the following laws have been drawn up by the Reich Government and put into effect:

a. The Reich Defense Law.

This furnishes the framework and foundation for all preparations for the defense of the Reich. Certain concepts—defense status and mobilization—pertaining to a unified preparedness for war are established and defined herein.

It also regulates the powers of the Plenipotentiary General for the War Economy. Wartime economy will be able to solve the problems put to it, only if it has been prepared in time of peace. Therefore, this peacetime preparation, also, was to be assigned to the Plenipotentiary General. For this reason, the Reich Government drew up the following decree on 21.V:

"Supplementing the Reich Government's resolution of 4.4.33 and 12.4.34 regarding the formation of a Reich Defense Council, the Reich Government has drawn up the following decree:

1. The "Plenipotentiary General for the War Economy", appointed by the Fuehrer and Reich Chancellor for the eventuality of mobilization, begins his work while peace still obtains. Following directives issued by the Reich Defense Council, he will direct the economic preparations for the event of war, insofar as they do not fall within the jurisdiction of the Reich Minister of War where they concern the armament industry. In case of mobilization, there will be placed under his authority:

Reich Ministry for Economic Affairs,
Reich Ministry for Food and Agriculture,
Reich Labor Ministry,

Reich Finance Ministry,
Reichsbank,

the last two, insofar as financing the conduct of the war is concerned. These Ministries and supreme Reich authorities are bound, in peacetime, too, by his directives for the preparation of the war economy.

2. The Reich Minister of War and the Plenipotentiary General for the War Economy will cooperate closely in the preliminary measures of mobilization.

3. The Plenipotentiary General for the War Economy is a permanent member of the Reich Defense Council. In the permanent Working Committee, he represents, through his operations staff, the interests of the war economy. The special representatives [Referenten] in the Reich Defense Council of the Ministries listed under Point 1 are bound by the directives of this operations staff."

The regulation of the tasks of the Plenipotentiary General relative to this peacetime preparation will be contained in the military Economic Regulations [Wehrwirtschaftsordnung], now in process of preparation in the Reich War Ministry, which will be distributed to the highest Reich authorities concerned, for their opinions.

By decree of 31.5.35, the Fuehrer and Reich Chancellor has taken the President of the Reichsbank, Dr. Schacht, into consideration as the Plenipotentiary General.

b. Law Providing Total Mobilization for War [*Kriegsleistungsgesetz*]

This law makes it possible to require from the German people all services and material contributions that must be demanded of them for the conduct of the war and the achievement of victory. It places every German, his person and his property, at the service of Reich defense.

This drafting of the entire strength of the people is an absolute prerequisite for the necessary total preparedness in the sense of the modern conduct of war.

The utilization of German manpower in its entirety is effected through the "Deutscher Volksdienst" [German National Service]. This service, which will drastically affect the individual life of every German, is incorporated in a special law, the

c. National Service Law [*Gesetz uber den Deutschen Volksdienst*]

The Volksdienst makes possible the drafting for personal service of all Reich citizens between the ages of 15 and 65 who have not been called up for military duty.

The direction of the Volksdienst is the responsibility of the Reich Labor Minister.

Military service and national service are to be administered with the closest possible agreement between the Reich Minister of War and the Reich Minister of Interior, on the one hand, and the Reich Labor Minister on the other.

In connection with these war laws, the Cabinet further determined upon a "Security Law" [Gesetz ueber den Sicherungszustand], to replace Article 48 of the old Constitution. Even though internal disorders are not to be expected under present conditions, the enactment of this peacetime law is necessary to the completion of the legal framework for safeguarding the security of the Reich.

The Fuehrer has ordered that the promulgation of these laws be postponed until further notice. Although unproclaimed, they constitute the basis for military and civil preparations in case the situation becomes serious. The Total Mobilization Law [Kriegsleistungsgesetz] will be made known, subject to special security provisions, to the administrative authorities of the middle grades [mittleren Verwaltungsbehoerden], including the district presidents [Regierungspraesidenten], and to the authorities of like grade in the other Reich departments [Ressorts]. An order concerning this has recently been issued to the Reich departments.

* * * * * * *

Generalmajor v. Reichenau:

The Reich War Minister is entirely aware of the validity of the demands made by the individual departments, which are based for the most part on his directions. For this reason, he has decided to divert from Wehrmacht funds a considerable sum for the Reich defense measures in the civil field.

All departments must recognize the fact that the demands of the Wehrmacht have first priority. As long as it is not even possible to assure the financing of the planned 36 Divisions of the Army [Heer] and the other Wehrmacht units in the desired strength, even urgent demands of the civilian administration must be rejected. Moreover, the Reich Minister of War will do what he can this very next year to see that sufficient funds are secured for the most pressing civil needs.

F. Oberstlt. Jodl (W.A. (L)): on "Participation in Mobilization Preparations".

The practical execution of the preparatory mobilization measures ordered by the Wehrmacht and the supreme Reich authorities requires a considerable expansion in personnel concerned. The principle that "results are more important than concealment" [Wirkung geht vor Deckung], applies here in connection with mobilization preparations. This loosening of the heretofore closely restricted circle of persons must not be permitted to result, after the publishing of the conscription decrees [Wehrfreiheit], in alarming the public, here and abroad, by a succession of conspicuous measures preparatory to mobilization.

The provisions of the decree, "The Reich Minister of War W.A. No. 1375/35 g.K. L IV a of 26.6.35", are in general the authority for the guidance of officials, organizations, and individuals in the future. In accordance with this, all the resources of the nation that are indispensable to the preparation of the R.V. can be drafted or at least prepared, while keeping within the limits of the security regulations issued.

The existence of mobilization preparations is not to be admitted, however, to persons not directly concerned [Unbeteiligten]. The individual mobilization measures are still subject to the directives issued concerning secrecy. Insofar as they cannot be camouflaged, they are to be explained on the basis of peacetime necessities.

The demilitarized zone requires special treatment. In his speech of 21.5.35 and other utterances, the Fuehrer and Reich Chancellor has stated that the stipulations of the Versailles Treaty and the Locarno Pact regarding the demilitarized zone are being observed. To the *Aide memoire* of the French Charge d'affaires, of 17.6.35, on "Recruiting offices [Ersatzdienststellen] in the demilitarized zone", the German Reich Government has replied that neither civilian recruiting authorities [zivile Ersatzbehoerden] nor other offices in the demilitarized zone have been entrusted with mobilization tasks such as the raising, equipping, and arming of any kind of formations for the event of war or in preparation therefor.

Since political entanglements abroad must be avoided at present under all circumstances, only those preparatory measures that are urgently necessary may be carried out. The existence of such preparations or the intention of them must be kept in *strictest secrecy*, in the zone itself as well as in the rest of the Reich.

These preparations include, in particular, the following:

a. Mobilization measures pertaining to the national police [Landespolizei] and the security police [Schutzpolizei], as well as to the Gendarmerie.

b. Mobilization measures pertaining to transportation and communications.

c. Preparation for the "liberation of the Rhein".

d. Preparation of local defense [Ortsschutz].

e. Preparation of the Reinforced Frontier Guard [Verstaerkten Grenzaufsichtsdienst].

f. Preparation of blockade measures [Sperrmassnahmen].

g. Preliminary mustering of horse-drawn and motor vehicles.

h. Preparation for evacuation measures.

i. Mobilization measures for drafting of persons. [Mob. Massnahmen fuer die personelle Erfassung.]

j. Preparation of economic mobilization.

Commitment to writing of directives for mobilization purposes is permissible only insofar as it is absolutely necessary to the smooth execution of the measures provided for the demilitarized zone, and without exception such material must be kept in safes. Weapons, equipment, insignia, field-grey uniforms and other items stored for mobilization purposes must be kept from sight. Mobilization drills, roll-calls, and training with military weapons are forbidden. I am calling the attention of all administrative authorities participating in mobilization preparations in the demilitarized zone to the prudence prescribed by the present political situation and am emphasizing especially that in the demilitarized zone, in contrast to the rest of the Reich, the principle that "concealment is more important than results" [Deckung geht vor Wirkung] must be applied at present.

PARTIAL TRANSLATION OF DOCUMENT EC-406

Minutes

of the eleventh meeting of the Reich Defense Council

Time: 6 December 1935

Start: 1000
End: 1335

Place: Large Conference Hall of the Reich Ministry of War.

Participants:

Reich Ministry of War

Wehrmachtamt: Major General Keitel

L	Lt. Col. Jodl Commander Krancke Lt. Col. (E) Hofmann Major Zeitzler Major Boenicke Lt. Commander Meyer-Doehner Captain Voelter Major (E) von Steinwehr Major (ret'd) von Mauch
W Stb	Colonel Thomas Lt. Col. Warlimont Major Beutler Major Mueller Major (E) Drews (Liaison officer to the Reich Ministry for Economy) Captain Czimatis
Abw	Major (E) von Frankenberg und Ludwigsdorf
H	Min. Dir. Tischbein Min. Rat Hollender
J	Captain (E) Ritgen Captain Hielscher
W R	Min. Rat Dr. Rehdans
Just. I	Min. Rat Rosenberger
Supreme command of the army:	
Army General Staff	Lt. Col. Wagner Lt. Col. (E) Petersen Lt. Col. (E) Gercke
Supreme Commander of the Army:	
General Staff of the Army	Captain Bluemke Captain Bader Captain von Grolmann
Allgemeines Heeresamt	Colonel Kempf Colonel Engelbrecht Major Schindke (Liaison Officer with the Reich Ministry for Post) Captain Hassel

Army Weapons Office	Captain Loehr
Army Administrative Office	Min. Rat Reich
Supreme Commander of the Navy	Captain (Navy) Coupette
	Captain (Navy) Fleischer
	Captain (Navy) Ciliax
	Captain (Navy) (E) Goehle
	Commander Tobye
	Commander Nordmann
	Lt. Commander Kaehler
	Min. Rat Frerichs
Supreme Commander of the Air Force:	Lt. Col. Doerstling
	Major Maass
	Major (E) Lademann
	Min. Rat Knipfer

Advisors (Referent) for Reich defense of the highest Reich authorities and of the Prussian State Ministry

Plenipotentiary of the Fuehrer and Dipl. Reich Chancellor for economic questions	Eng. Keppler
Leadership Staff of the G. B.	Min. Dir. Wohlthat
	Min. Rat, Geh. Rat Worbs
	Min. Rat Sussdorf
	Ob. Reg. Rat Nolte
	Reg. Rat Dr. Burandt
	Dr. Noack
Foreign Office	Leg. Sekr. von Buelow
Reich and Prussian Ministry of the Interior	Min. Rat Wagner
	Staatsanwalt Dr. Roeder
	Major of Protective Police Abraham
Reich Ministry of Finance	Min. Rat, Geh. Rat Dr. Bender
	Min. Rat, Geh. Fun. Rat Wapenhensch
Reich and Prussian Ministry for Economy	Min. Rat Godlewski
Reich and Prussian Ministry for Food and Agriculture	Ob. Reg. Rat Dr. Dietrich, Reich Commissioner for Special Assignment (z.b.V.) Kriegsheim

Reich and Prussian Ministry for Labor	Min. Rat Schroeder
Reich Ministry for Justice	Min. Rat Haastert
Reich and Prussian Minister of Communications	Min. Rat Schmidt, Rudolf
Reich Ministry for Postal Service	Postrat Timme
Reich Ministry for Public enlightenment and propaganda	Major (ret'd) von Wrochem
Reich and Prussian Ministry for Science, Education and Public Knowledge	Min. Dir. Dr. Kruemmel
Directorate of the Reichsbank	Director with the Reichsbank Dr. Mueller
Main Administration of the German Railroad Corporation	Reichsbahndirektor Dr. Ebeling Reichsbahnoberrat Luettge
Inspector General for the German Highway System	Ob. Reg. Baurat Schoenleben
Reich Chief Forester and Prussian State Chief Forester	Ob. Landforstmeister Schuette
Prussian State Ministry	Min. Rat Bergbohm

Schedule of the Day

Page
A. Utilization and tasks of the leadership staff of the Plenipotentiary-General for war economy. 7
B. Nutritional standard, in case of mobilization, based on the harvest of 1935. 12
C. Required overseas imports in time of war. 20
D. Preparation for procurement of funds for the individual phases of mobilization. 24
Procurement of funds for ships abroad. 27
E. Legal obligations of the shipping corporations, demands of the Armed Forces to be filled in new ship construction. 30
F. Mobilization book for the civil administrations. Status of the preparations. 34
G. Unification of war-time police system (reinforced police protection). 38
H. V.G.A.D. in the Saar territory. 44
J. Change evacuation plans. 46
K. Unification of individual identification cards. 47

L. Organization of the civilian air-raid precautions. Do difficulties exist in limitations to other civilian mobilization tasks? 50
M. Miscellaneous. 55
N. Questions by the Reich authorities. 56

Major General Keitel

1. Opens the conference and takes over the chairmanship of the Reich Defense Council, expresses his thanks to Lieutenant General von Reichenau for his work until now as chairman of the Reich Defense Council in the latter's name and forwards thanks and farewell greetings of Lieutenant General von Reichenau.

He points out the progress, achieved in the meantime, in the extension of the Reich Defense by the Reich authorities and its legality instead of improvisations. He emphasizes that hand in hand with the accelerated building-up of the Armed Forces, the organization of the entire nation for Reich defense must be carried out, namely at an increased speed, if we want to catch up rapidly to the advantage of the other nations.

He further explains: the mobilization year begins on 1 April and ends on 31 March. The mobilization book for the civilian administrations will be issued for the first time on 1 April 1936. That 1 April must find us ready for action in the realm of possibility.

2. It is basically new in the organization of Reich defense to commission the Plenipotentiary-General for the war economy with its leadership and preparation.

The leadership staff appointed by him for the first time is present in the Reich Defense Council.

Major General Keitel, therefore, welcomes as new permanent members of the council

Ministerialdirektor Wohlthat as Chief of the Leadership Staff of the Plenipotentiary-General for the war economy

Ministerialrat, Geh. Rat Worbs as financial advisor in the Leadership Staff of the Plenipotentiary-General for the war economy.

He explained that the highly developed economy of a large state needs unified leadership and strict management in time of war. The Armed Forces have greatly welcomed the appointment of the Plenipotentiary-General for the war economy. Because it takes into account the experience of the last war and because it is assured that by this division of responsibility no decomposition of the organic structure of the combined preparations will result, but that the efficiency will increase.

He also welcomes the Reich Defense Advisor of the Reich Chief Forester Oberlandforstmeister Schuette.

Major General Keitel emphasizes to the new members, that the slogan for our common effort in the field of the Reich defense is "Unity and Unification."

Thereafter, Major General Keitel discusses two important fields: raw materials and money.

According to the will of the Fuehrer, the economic leadership puts the increase of our armed might knowingly ahead of other requirements of the state. It is the task of all members of the Reich Defense Council to utilize the national property, made available, primarily for this purpose and economically in the framework of the entire situation, and request only such funds and raw materials which serve absolutely and exclusively the Reich defense. Limitation and thrift in the individual measure increase by themselves the extent and thereby the effectiveness of the preparations.

3. The following are dropped from today's schedule: Reports on the activity of the East Prussia Council and on the cooperation of the Reich authorities amongst themselves and with the service commands [Generalkommandos] at the Mittel and Kreis level, because they are not yet to be discussed in the Reich Defense Council. They will be included in the report at the next conference.

A. *Ministerialdirektor Wohlthat.* Chief of the Leadership Staff of the Plenipotentiary-General for the war economy: *Utilization and tasks of the Leadership Staff of the Plenipotentiary-General for the war economy.*

1. The Reich defense law of 21 May 1935 and the decision of the Reich Cabinet (Reichsregierung) of the same day concerning the Reich Defense Council constitute the legal basis for the Leadership Staff of the Plenipotentiary-General.

2. The directives for the unified preparations of the Reich of 1 November 1935 regulate the cooperation between the Plenipotentiary-General and the Chief of the Military-Economic Staff.

In the same manner as the Chief of the Military-Economic Staff coordinates all war economical preparations in the Ministry of War and represents them to the Leadership Staff of the Plenipotentiary-General, the Leadership Staff of the Plenipotentiary-General coordinates the war economical preparations of the authorities under the Plenipotentiary-General and represents them to the Chief of the Military-Economic Staff.

In questions of the war-food economy, this representation takes place on the part of the Reich Minister of War in close cooperation with the Supreme Commander of the Army (Army Administration Office) and on the part of the Plenipotentiary-General in cooperation with the Reich and Prussian Ministry for Food and Agriculture.

* * * * * * *

Colonel Jodl (W.A(L)):

Mobilization book for the civil administrations. Status of the preparations.

Obscurities still exist about the technical execution of the unified preparations for Reich defense. In the following explanations, therefore, the survey about the status of the preparations and the intentions of the Chairman of the Reich Defense Council is to be given.

The preparations for the civil administrations for Reich defense are established in: "work-plans", in "the mobilization book" and in the "mobilization calendars."

1. In the *work-plans* the task of the civil administration for the preparation of Reich defense are established. They further contain the limitations of competences and necessary participation of other Reich authorities in the individual measures.

The work-plans, being the directives of the Reich Minister of War and of the Supreme Commander of the Armed Forces, and of the Plenipotentiary-General for the War Economy, form the basis of all mobilization preparations of the civil administrations.

The work-plans will be decided on together by the appropriate special agencies of the Armed Forces and the highest Reich authorities, and will be issued by the office of the secretary of the Reich Defense Council.

Insofar as the working plans for individual administrations are not yet decided upon, or do not need to be renewed, their completion is to be attempted by 1 April 1936.

The Reich Defense Advisors are requested to review their plans in that respect and to forward their requests to the office of the secretary of the Reich Defense Council.

2. *The mobilization book for the civil administrations* has a dual purpose:

a. It creates for the responsible state leadership a survey of the extent of the civilian mobilization measures and their political importance.

b. It forms a unified basis for the execution of the mobilization outside the Armed Forces.

MINUTES
of the 12th Meeting of the Reichs Defense Council

Time: 14 May 1936. Begin: 10:00 o'clock.
Place: Grand Conference Room End: 14:00 o'clock.
of National Ministry of War.

(Secret business of the Command)

1. *The National Minister of War and Supreme Commander of the Armed Forces,* General Field Marshal von Blomberg, opened the 12th meeting of the Reichs Defense Council by expressing thanks for the work accomplished and pointing out in principle the necessity of a preparation for a total mobilization with emphasis on the most important measures to be taken at this time. (Among others: mobilization schedule, legal basis, preparations in the remilitarized zone). He further indicates the assignment of the national resources [Reichsressort] to finance its measures for preparation of the Reichs defense out of its budget.

2. The *chairman* of the *Reichs Defense Council,* Lieutenant General Keitel, states:

In today's and future meetings of the Reichs Defense Council a cross section of the general situation concerning all matters of the national defense is presented. The picture of the situation does not appear in the reports of the meetings. The open discussion of State secrets before our large council gives the special obligation to the chairman of the Reichs Defense Council of pointing out its *secrecy.*

Today's session takes place under the auspices of the restoration of the State authority in the demilitarized zone.

The difficulties of the economic situation, which are presented today, must be mastered.

3. The serious raw material and foreign exchange situation has led to the *special mandate* given to the Prussian Ministerpresident *Goering* by the Fuehrer and Reichschancellor of which the Reichs resources were notified. In order to strengthen the connection between the Prussian Ministerpresident and the Reichs Defense Council, one more representative for the raw material and foreign exchange matters, besides the official national defense council representatives of the Prussian Ministerpresident, is appointed as a permanent member to the Reichs Defense Council according to a cabinet resolution of April 4, 1933: Lieutenant Colonel Loeb of the National Air Ministry.

4. The following *changes* took place in the Reichs Defense Council.

The chairman welcomes as new members these representatives of the National Office for Regional Planning: Director Bloecker (not present) and Dr. Schopers.

Replacements were: In the National Ministry of Finance Geheimrat Wapenhensch by Ministerial Director Dr. Mitze; in the Postal Ministry Postal Director Timme by Ministerial Director Schroeder; in the Ministry of Transportation Ministerial Counsel Schmidt by Ober Regierungs- and Baurat Pigge.

The chairman welcomes the new co-workers and expresses his gratitude to the gentlemen who have resigned for their valuable work in the Reichs Defense Council.

To Ober Regierungsrat Dr. Barth who left the executive staff of the plenipotentiary and the mobilization staff of the Ministry for Economics, and who was one of the first and most active fellow-workers in preparing the economic mobilization, the chairman gives the special thanks of the Reichs Defense Council.

A. About the present situation reports for the uniform preparation for the national defense are presented under special consideration of the experiences from the occupation of the demilitarized zone:

1. by Secretary of the Legation von Buelow (Foreign Office) about the *foreign policy situation.*

The *chairman* gives the order to procure documents about Italy's measures against the sanctions to solve also our difficult problems concerning the armament economy and the demobilization. A study of war economy is suggested in view of various foreign policy situations.

2. By Major von Wrochem (National Ministry of Public Enlightenment and Propaganda) about the *propaganda policy situation* at home and abroad.

The *chairman* points out the importance of propaganda as a weapon.

3. By Colonel Jodl (W A (L)) about the *military policy situation.*

The war of today is composed of many steps. The experiences during the tension period in March led to the recognition that in the Mobilization Book for the civil administration an arrangement to 3 periods of strain is unsuitable for preparatory measures; it will be abandoned. The measures to be taken in the "X" case and in the mobilization case are combined in *one* chapter because they are almost the same. In part I of the Mobilization Book directives for this are drawn up. Its new edition and the directives for the mobilization schedule of the civil administration by the National Ministry of War is to be expected during the next quarter.

Explained are "blockade organization" and "frontier guard", changed inclusive Reichs defense measures, the details of which will be sent to the participating departments of the National Ministry of War. The participating civilian departments will not be burdened to any great extent with new tasks and costs. The *chairman* points out that the new construction of the armed forces makes possible improvements in the preparation which will be effective beginning in the mobilization year 1937.

4. By Colonel Thomas (W A (W STb)) about the *military economic situation.*

The improvement of our military economic situation which is dependent on foreign countries in the task of the economic policy, to be influenced by the military economy, and a foreign policy which assures itself of economically strong allies.

5. By Ministerial Director Wohlthat (executive staff plenipotentiary) about the *condition* in the field of food, trade and industrial *economy,* raw materials, and foreign exchange.

To maintain the armament and food self-sufficiency, further increases in production and the most vigorous savings measures are necessary immediately, a demand, which has led to the special mandate of the Prussian Ministerpresident Goering. The *chairman* states comprehensively:

Through the occupation of the demilitarized zone, the military economic situation has improved. In relation with foreign countries the power of the Reich became stronger.

According to the last two lectures, we face a difficult situation in the National economy. To overcome them Ministerpresident Goering has given more detailed explanations at the beginning of this week. Three demands must remain:

a. the demand for armament depending upon the full capacity of our economic power. The Fuehrer wants no delay for this urgent task.

b. to maintain the productive capacity of our industry and agriculture avoiding the discharge of workers.

c. to maintain the food self-sufficiency of the people: a good harvest can be hoped for.

The progress in the production of substitutes, for instance in fodder, rubber, fuel, are still a live insurance for the people and the armed forces. With keeping this in mind their often uneconomically high costs have to be judged.

Div. of National Defense
[Abt. Landesverteidigung]
Secret Command Matter 30.12.1936
Initialed G. 31/10 4 copies
3rd. copy.

Report Memorandum
on the Four Year Plan and Preparation of the War Economy.

The Fuehrer and Reich Chancellor has conferred powers in regard to mobilization preparations in the economic field that need further definition. Powers were granted:

1. *The Reich Minister of War and Commander in Chief of the Wehrmacht,* by decision of the Reich Government on 4.4.33, to act as competent representative of the Fuehrer and Reich Chancellor *in matters concerning Reich defense.*

As stated in the cabinet decree, he is responsible for the execution of the measures determined upon by the RVR and issues the directives for it to the Reich ministries and other offices, which are then responsible for the further steps necessary.

This grant of authority definitely takes into account the superior position, in time of war, of the R.K.B., which is emphasized by the delegation of the executive power (cf. RVC).

2. *The Plenipotentiary General for the War Economy,* through the Reich Defense Law and the Reich Government's resolution of 21.5.35.

The G. B. [Generalbevollmachtigte], according to this, is to commence his work in peacetime and *direct the eceonomic preparations for the eventuality of war.*

To this end, the economic departments [Ressorts] were uniformly placed under his authority in matters concerning the R. V.

3. *Minister President Generaloberst Goering, as Commissioner for the Four Year Plan,* by authority of the Fuehrer and Reich Chancellor, granted 18.10.36.

As regards the war economy, Min. Pres. Gen. Oberst Goering sees it as his task "within 4 years to put the entire economy in a state of readiness for war." (Cf letter Goering-Schacht St. M. R. V. 516 g.Rs. of 18.12.36.)

Minister President Gen. Oberst Goering was also given far-reaching powers *to issue directives to all the highest offices* [*Obersten Dienststellen*] *of the state and the party.*

The mere comparison of these tasks has shown (see correspondence Min. Pres. Gen. Oberst Goering-Minister Schacht as G.B. for War Economy) that this situation is untenable.

A fruitless correspondence will be carried on among the offices of the three persons empowered to accomplish the same tasks, without leading to unified cooperation in attaining the goal.

It is recommended, therefore: That the Fuehrer be asked to limit the authorized powers on the following basis:

1. *Reich Minister of War. During war: Executive power,* in order to secure uniformity in the conduct of the war by order of the Fuehrer. *In peacetime:*

a. Power to issue directives to all highest Reich agencies *for the uniformity of all preparations,* insofar as demands must be adjusted and the decisions concerned do not warrant the attention of the Fuehrer.

b. Unlimited command and control right in the armament concerns and in their utilization as well [sowie deren Bestimmung].

2. *Plenipotentiary General for the War Economy. During war: Centralized direction of war economy,* excluding armament industry. *In peacetime:* Unified preparation of the war economy *as heretofore.*

3. *Commissioner for the Four Year Plan. During war:* suspended [aufgehoben]. *In peacetime: Safeguarding the independent basis of the life and economy* of the German people. To the extent that this task entrenches upon the sphere of the Plenipotentiary General for the War Economy [G.B. fuer die Kriegswirtschaft], joint action should be taken [im Einvernehmen handeln]. In case of divergent purposes, the decision will be made by the Fuehrer and Reichs Chancellor after consultation with the Reich Minister of War.

TRANSLATION OF DOCUMENT EC-410

Volume 37a
[in pencil]

Appendix 10
[in red ink]

Copy

Berlin W 8 October 19, 1939
Leipxigerstreet 3.

Ministerpresident General
Field Marshal Goering
Deputy for the Four Year Plan, President of the Council of Ministers for the defense of the Reich Lt. M. Dev. 9547

To the Reich Ministers, the offices [Geschaeftsgruppen] and plenipotentiaries of the Four Year Plan

In the meeting of October 13th, I have given detailed instructions for the economical administration of the occupied territories. I will repeat them here in short:

1. The *task* for the economic treatment of the various administrative regions *is different* depending on whether a country is involved which will be incorporated politically into the German Reich or whether we deal with the Government General which, in all probability, will not be made a part of Germany.

In the *first mentioned territories* the *reconstruction and expansion of the economy,* the safeguarding of all their productive facilities and supplies must be aimed at, as well as a complete incorporation into the Greater German economic system at the earliest possible time. On the other hand, there must be removed *from the territories of the Government General* all *raw materials, scrap materials, machines* etc. which are of use for the German war economy. *Enterprises* which are not absolutely necessary for the meager maintenance of the naked existence of the population must be transferred *to Germany,* unless such transfer would require an unreasonably long period of time and would make it more practical to exploit those enterprises by giving them German orders to be executed at their present location (compare also appendix 2 of the decree by the supreme command of the army of October 9, 1939, number 1927/39 secret).

2. In spite of the different political treatment, the fact, that all territories have up to now belonged to a *uniform economic* expanse with many mutual obligations, requires a uniform economic direction center for the time being and this can be exercised from Berlin only, the way things stand now.

3. I have reserved this uniform direction for myself already in my decree of September 28, 1939 (St. M. Dev. 8924/39). Also under the new order of these matters, I reserve for myself to a large extent not only the issuing of general directives, but also of individual orders in the economic field.

4. In order to make the territories—especially also those to be added to the Reich—serve in the best way the aim pursued by the Fuehrer, the property of real estate, plants, mobile objects and claims, which are to be taken over by the Reich from Polish hands, must receive uniform custody and administration.

For this purpose, I have formed a Main Trustee Office East [*Haupttrenhandstelle Ost*] which is under my personal jurisdiction and which has to fulfill the following tasks:

a. The seizure of the property of the Polish state within the territories occupied by German troops and provisions for its lawful administration; corresponding measures are in force for private property in Polish and Jewish hands;

b. The regulation of the money and credit system according to more detailed instructions by the Reich Ministry for Economics;

c. the ordering of all economic measures which are necessary for the transfer of the economic administration to the individual administrative districts, and the execution of the necessary settlements of claims and accounts;

d. the preparation of a settlement with the foreign creditors which might possibly become necessary.

e. The Main Trustee Office East [Haupttrenhandstelle Ost] which has its seat both in Berlin and at the Reich Minister Frank will set up trustee offices in the individual administrative districts; these offices will be under the direct jurisdiction of the Main Trustee Office East. The trustee offices have to keep the administrative chief of its administrative district, at all times, informed about their activities.

f. Only the Main Trustee Office East can, in agreement with the corresponding administrative chiefs, respectively with the Governor General (Supreme Administrative Chief) order confiscations. Confiscations carried out up to now by local offices are valid only if they are confirmed by the Main Trustee Office East. If the confirmation has not been issued up to February 1st, 1940, the confiscation loses its validity.

The Main Trustee Office can appoint commissary administrators for the administration of enterprises and property of all kind. Inasmuch as such administrators have already been appointed by other offices, the Main Trustee Office can recall them and assign other administrators. The administrators need the exoneration of the Main Trustee Office East. The Main Trustee Office East may transfer its power to the local trustee office. Military requisitions and the use of real estate, furniture etc. for the direct purposes of the civil administration will not be affected.

g. The Main Trustee Office East may issue administrative regulations for the execution of its task. General orders have to be published in the official gazettes of the administrative districts, in order to become valid.

h. I have charged the mayor Winkler, retired, with the setting up and temporary direction of the Main Trustee Office East.

5. As I have already outlined in the meeting of October 13th, I expect the leaders of the administrative districts to give the fullest support to the measures carried out by the Main Trustee Office and the trustee offices. The smoother this support will be rendered, the faster the Main Trustee Office East will be in a

position to finish its activity in the individual administrative districts. Every wild confiscation and every enrichment of individuals will be prosecuted on the basis of the general penal and martial laws; the main issue is that the dispossessed Polish property which has been confiscated will be used in the interest of the Reich, that means in everybody's interest, but not for the benefit of some individuals.

Signed Goering

To:
- a. Reich Minister Frank
- b. Gauleiter Forster
- c. Supreme President and Gauleiter Koch
- d. Supreme President and Gauleiter Wagner, Breslau
- e. President of the Senate, Greiser, Posen

I send you this copy for your acknowledgement and further action.

Signed Goering
Verified:
STRANDMANN
Administrative Secretary

TRANSLATION OF DOCUMENT EC-411

Order by Hess, Deputy Fuehrer, of November 20, 1939.

"I hear from party members who came from the Government General that various agencies, as, for instance, the Military Economic Staff, the Reich Ministry for Labor, etc., intend to reconstruct certain industrial enterprises in Warsaw. However, in accordance with a decision by Minister Dr. Frank, as approved by the Fuehrer, Warsaw shall not be rebuilt nor is it the intention of the Fuehrer to rebuild or reconstruct any industry in the Government General."

PARTIAL TRANSLATION OF DOCUMENT EC-415

SCHACHT IN HIS STATEMENTS

[Schacht in Seinen Aeusserungen]

Berlin, 1937, Printed in the Reichsbank Printing Office

[Page 20]

Responsibility means not only to initiate a matter, but to carry it through to the end.

Everyone who has to rely upon himself, will utilize his forces to do the right thing, whereas the member of a mass will only too gladly rely upon the others. The masses lack initiative which necessarily originates within the individual. That is why the masses always like to follow a leader personality.

When we envisage dangers, we have to be able to identify them. And we have to take precautions that these dangers do not come up.
(The End of Reparations, Oldenburg, 1931).

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[Page 21]
Only when a nation values her own ability and efforts as something valuable and when it sets its own cultural values above all others, is it able to add something worthwhile to international peaceful cultural cooperation.
(Principles of German Economic Policy, Oldenburg, 1932).

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[Pages 131–132]
How can it be that, despite the most strenuous economic efforts, two decades of the postwar period have been able to restore so little? A new generation has grown up, and the devastated fields and cities have been rebuilt. But the memory of war weighs undiminished upon the peoples' minds. That is because deeper than material wounds, moral wounds are smarting, inflicted by the so-called peace treaties. Material loss can be made up through renewed labor, but the moral wrong which has been inflicted upon the conquered peoples in the peace dictates leaves a burning scar on the peoples' conscience. The spirit of the Versailles has perpetuated the fury of war, and there will not be a true peace, progress or reconstruction until the world desists from this spirit. The German people will not tire of pronouncing this warning.

(Address of 16 July 1936 in Hamburg at the occasion of the launching of the "Pretoria").

* * * * * * *

[Page 129]
From the first moment after the war I have joined the ranks of the then few who pointed out the senselessness of a policy dictated by the shortsighted hatred and chauvinist ignorance.

Strange as it may sound, the occupation of the Ruhr signified the turning point in the question of reparations, because it created, in the economic and moral sense, a legal situation favorable to Germany, since it exposed in full clarity to the world the stupidity of Poincare's policy in its economic implications.

The Versailles dictates can not be an eternal document, because not only its economic, but also its spiritual and moral premises are wrong.

(The Stabilization of the Mark, Stuttgart, 1927).

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[Page 144]

Germany has too little living space for her population. She has made every effort, and certainly greater efforts than any other nation, to extract from her own existing small space whatever is necessary for the securing of her livelihood. However, in spite of all these efforts, the space does not suffice. The lack of industrial raw materials is even greater than the scarcity of foodstuffs. A securing of the means of livelihood for the German people can not be effected by commercial-political agreements of any kind. The allocation of colonial space is the given solution for the existing difficulties.

(Lecture of 9 December 1936, at the occasion of the Centennial for Geography and Statistics in Frankfurt-on-the-Main).

TRANSLATION OF DOCUMENT EC–416

SECRET REICH MATTER.

Minutes of Cabinet Meeting [Ministerrat] of 4 September 1936, 12 Noon.

Chairman: Ministerpraesident Generaloberst Goering.
Reichskriegsminister Generalfeldmarschall von Blomberg.
Reichsbankpraesident und Kommissarischer Reichs- und Preussischer Wirtschaftsminister Dr. Schacht.
Reichsfinanzminister Graf Schwering von Krosigk.
Preussischer Finanzminister Prof. Dr. Popitz.
Staatssekretaer Koerner.
Wirtschaftsbeauftragter des Fuehrers Keppler.
Ministerialdirektor Staatsrat Neumann.
Stabsamtsfuehrer des Reichsbauernfuehrers Dr. Reischle.
Keeper of the minutes: Lt. Col. Loeb of the General Staff.

Min. Pres. Goering:

Today's meeting is of greater importance than all previous meetings.

At the last cabinet meeting of 11 August 1936 it was agreed that supplementary material was needed in order to make it possible to reach a decision.

Meanwhile new trouble has arisen, especially in connection with non-precious metals and rubber; even the Fuehrer has been drawn into this affair.

In the discussion of 1 September 1936 it was established that any trouble must be avoided before the party meeting [Parteitag]. Geh. Rat Allmers had no authority for the letter in which he speaks of a 2-3 working week for the automobile industry. On 1 September temporary measures for the period lasting until the middle of October, when a decision will be reached, were ordered and are to be carried through.

In the same meeting special attention was called to our unpaid claims upon foreign countries which are presumably higher yet than the reported claims. Thus it is stupid to rack one's brain because of a few million marks. But an examination must be made in order to find out whether the claims reported as bad cannot really be collected.

Existing reserves will have to be touched for the purpose of carrying us over this difficulty until the goal ordered by the Fuehrer has been reached; in case of war they are not a reliable backing in any case.

Certain persons have been asked for memoranda on the basic conduct of economy. So far only one was presented by Dr. Goerdeler and it is absolutely useless. In addition to many other erroneous thoughts it contains the proposal of considerable limitation of armaments.

In this connection it should be stated that the authority of the Col. General refers to the "insuring of armaments" which must rather be speeded up than slowed down.

The Fuehrer and Reichskanzler has given a memorandum to the Col. General and the Reich War Minister which represents a general instruction for the execution thereof.

It starts from the basic thought that the showdown with Russia is inevitable. What Russia has done in the field of reconstruction, we, too, can do.

Just what sort of risk is it, that our industry is afraid of, compared to the risk in the field of foreign affairs which the Fuehrer runs so continuously?

The Fuehrer is going to have a memorandum issued concerning the financial angle of this problem.

Research on the problem of increasing exports, e.g., has shown that fundamentally new ways can hardly be found. It will not be possible to create a balance of foreign exchange merely by means of export. The "New Plan" of the Reichswirtschaftminister is acceptable in its basic features—but it can be improved in details.

The Colonel General reads the memorandum of the Fuehrer.

The Colonel General is responsible for the execution of the tasks outlined in the memorandum.

If war should break out tomorrow we would be forced to take measures from which we might possibly still shy away at the present moment. They are, therefore, to be taken. Two basic principles:

1. We must strive with greatest energy for autonomy in all those fields in which it is technically possible; the yearly amount of foreign exchange savings must still surpass that of the first proposal of the raw materials and foreign exchange staff anticipating a savings of 600 million Reichsmarks.

2. We have to tie over with foreign exchange in all cases where it seems necessary for armament and food.

In order to provide for foreign exchange, its flow abroad must be avoided by all means; on the other hand, whatever is abroad must be brought in.

The Fuehrer is going to speak very soon to the industrial leaders and expose to them his fundamental thoughts.

In view of the power of the State the necessary measures can definitely be carried through. Frederic, the Great, to whom reference is being made from the most diverse sides, was in his financial behaviour a strong inflationist.

Through the genius of the Fuehrer things which were seemingly impossible have become a reality in the shortest time; last example: introduction of the two-year service law and recognition on the part of France that we need a stronger Wehrmacht than France herself. The tasks now ahead of us are considerably smaller than those which we have already accomplished.

All those measures which can be carried through with internal German money are possible and should be carried out. Through them the requirements of industry and food supply needing foreign exchange must be pushed into the second line.

All measures have to be taken just as if we were actually in the stage of imminent danger of war.

The execution of the order of the Fuehrer is an absolute command.

End of meeting: 1300.

TRANSLATION OF DOCUMENT EC–419

D.R.d.F. Berlin, Sept. 1, 1938

SECRET MATTER OF STATE

My Fuehrer:

There has been no possibility to explain verbally to you the financial situation of Germany, although I asked for this opportunity. I consider it my duty to describe to you the present situation and for further explanations and additions, I am at your disposal at any time.

1. Since the assumption of power, the definite policy has been followed to finance the large and once occurring expenditures for the first labor procurement and for the rearmament by means of loans. When this was not possible through the normal use of the money—and investment market, that is from the annual savings increase in Germany, the financing was arranged through the discounting of bills of exchange (trade and MEFO [Metallurgic Research Inc.] bills of exchange) at the Reichsbank, which means the printing of money. This creation of funds was of no danger to the currency because the increased circulation of money was offset by a corresponding increase of production. When, at the turn of 1937-1938, the state of full production was reached, the system of MEFO bills of exchange, which at that time amounted to 12 milliards RM, was abandoned, because this system by now would have resulted in inflation. Also it could be abandoned as the increasing income from taxes and the growing savings offered the possibility to cover the normal expenditures through taxes and loans. The income from federal taxes, from 1932 to 1937, increased from 6.5 milliards to 14 milliards. During the same period armament expenditures rose from ¾ milliards to 11 milliards.

The development of the Reich debt is as follows:

	In milliards RM.	
	12/31/1932	6/30/1938
Funded debt	10.4	19.
Current debt	2.1	3.5
Debt (not subscribed to by public)	–	13.3
(Trade and MEFO Bills of Exchange)	12.5	35.8

This shows that the Reich debt has tripled.

Provisions were made to cover the armament expenditures for the year 1938 (the same amount as in 1937) as follows:

5 milliards from the budget, that is taxes.
4 milliards from loans.
2 milliards from 6 months treasury notes (which means postponement of payment until 1939).

Total 11 milliards

Income from taxes and the investment market offered the security that this program would be maintained within its limits.

2. During 1938 a basic change occurred.

(a) The armament expenditures increased to 14 milliards caused by the retaking of Austria, the fortifications in the west, and the increased tempo of armament. I have provided for cover as follows:

6 milliards from the budget, that is taxes.
6 milliards from loans.
2 milliards from 6 months treasury notes (which means postponement of payment until 1939).

Total 14 milliards

The increase from 5 to 6 milliards charged to the budget is covered by the increase of corporations taxes, from 30 to 40 percent, and the transfer of certain tax incomes from the communities to the Reich. The amount of 6 instead of 4 milliards from loans can be obtained if the investment market is made unavailable for all other purposes, especially the building of homes; corresponding measures have been taken in collaboration with Minister Funk.

(b) It was intended to float another loan in September (the last loan was floated in April). This is very necessary because the increasing cash expenditure for the Army (900 millions in August, 1,200 millions in September) have completely exhausted the cash balances of the Reich. The cash resources will be exhausted during September; a statement regarding the proceeds resulting from a loan is not necessary, as the securing of funds by means of printing of currency is out of the question.

(c) The intended floating of a new loan is faced with the difficulty, that during the last weeks—since the middle of July and in an especially alarming degree—Reich obligations have appeared on the market and had to be absorbed by the Reich. If these obligations would not be taken up, Government issues would drop in value; because of it the floating of future loans by the Reich would be difficult or impossible. Up to now, 465 million RM's had to be absorbed.

(d) The reasons for the liquidation of Reich loans is found in:

(1) The necessity of industry to finance itself.

(2) A larger inventory of stocks (to safeguard against any temporary shortage of materials).

(3) The hoarding of money caused by the fear of the limitation of credit.

(4) And in the conversion of Reich obligations into material values caused primarily by a war—and inflation psychosis. The

inflation psychosis is strengthened due to the wage and price increases since 1937 which now are very evident in the western territories. The war psychosis originates from the gossip by all circles of the people that war would begin on October 1.

3. The change in the situation, therefore, is due to the fact that we are steering towards a serious financial crisis, the forebodings of which have led already abroad to detailed discussions of this weak side in our economic preparations and to an apprehensive loss of confidence domestically.

To regain the confidence, it is most important to eliminate the inflation psychosis. For this purpose, the authorities should make declarations and give explanations in accordance with the following outline:

(a) Increase of the Reich debt is not inflation. The floating of loans has always been and is also now necessary for large, once-occurring national tasks. Even so, the Reich debt would rise to 50 milliards, it would only represent two thirds of the annual national income and the annual service of the debt would not be as much as the unemployment compensation payments during the year 1932.

(b) The printing of money without a corresponding production increase is self deception. The Third Reich, therefore, will not choose the way of inflation but will continue to float loans, the subscription to which is as much a patriotic duty as is the safest investment.

(c) The hoarding of money is not only a crime against the nation as a whole, but also it is foolishness.

(d) A planned regulation and distribution of government expenditures will see to it that prices and wages are not forced up by government offices competing against each other.

(e) The over-employment in public offices has caused idleness, double work and frictions. A thorough simplification will remedy this.

If you, my Fuehrer, would inform the German people along these lines already at the annual party-meeting, it would put a stop to the inflation psychosis and it would be an important step for the possibility to float further loans and with it, would stabilize our financial policy.

4. The second step is to clarify our foreign policy. As every war in the future will be fought not only with military means but also will be an *economic war* of greatest scope, I consider it my unavoidable duty to present to you, my Fuehrer, in fullest truthfulness and sincerity my deep anxiety for the future of Germany,

which is based on my knowledge of the economic conditions of our country and also those of the outside world.

Whether or not the war stays localized in the event of a showdown with Czechoslovakia depends mainly on *England.* Judging from my knowledge of England and the English people, gained over many years, the now repeatedly expressed attitude to take action is *no bluff,* which fact undoubtedly can be discerned in their careful English way of expression. Even if Chamberlain and Halifax would not want war, the war mongers and possible successors, Churchill-Eden, stand behind them.

The fact that England is not ready for war militarily, does not prevent England from entering it. Because she possesses two great trump cards. One is the soon expected active participation of the United States of America in the war. At present, two tendencies prevail in the United States, one is a propaganda of hate against Germany of the greatest scope, mainly supported by Jewish circles, and the other is the continuing economic crisis, the solution to which can be found only in a European war because of the failure of every experiment tried by Roosevelt. American industry, now only occupied to the extent of 25%, would at once be converted into a war industry of unimaginable production capacity, altogether different from 1914-1918.

The second trump card is, Germany shows financial and economic weaknesses, although she has a head start militarily. Germany's self-sufficiency for the required war needs is only in the early stages. In my opinion, it is Utopia to think that we can secure the necessary raw materials with imports from the southeast and by the exploitation of our own resources. Economically, we are in a position which corresponds with Germany's situation in 1917. The Western powers would not run against the west wall but would let Germany's economic weakness take effect until we, after early military successes, become weaker and weaker and finally will lose our military advantage due to deliveries of armaments and airplanes by the United States. But also a decisive point is the attitude and morale of the people. From it depends the spirit with which the army will fight. It is difficult for a nation that already experienced and lost a war within a generation —to raise the inner strength, morally and physically, which is so vital to the victory of a new war. When the restitution of our military freedom, the occupation of the Rhineland and liberation of Austria was involved, the whole nation was deeply convinced of our rights and the necessity of our actions. But the people's attitude towards the Czech situation is different. Should this problem again result in a world war, then the German people's confidence in you, my Fuehrer, would be shaken in its roots; because it believes you will never put our nation in the same situation as in 1914-18. And it would not be able to bear for very long the sufferings of war, large and small, such as the rationing of fats, bombing attacks, the loss of husbands and sons.

Most important is: *"Time works in our favor"*. (1) The increase in power which we gain each month and each year through the completion of our military and primarily our economic preparations, is considerably greater than the added strength which the Western powers gain from their own re-armaments. (2) Certain powers inside France, growing month by month, try to break the alliance with Czechoslovakia, although I am now of the opinion that France, probably with clenched fists and a heavy heart, would fulfill her duty as an ally in order not to lose face as a major power and to keep her national honor. (3) In America a reaction against the Jewish propaganda of hatred is noticeable; this reaction requires time to develop. Each improvement of the economic conditions in the United States of America reduces the urge to find a solution of her difficulties in a war and it strengthens the prevailing tendency of the broad masses of the American people to stay aloof from European quarrels.

We therefore can only gain by waiting. For this reason, the fanatical desire of the Communists, Jews, and Czechs, is to involve us now in a war because they see in the present situation the last possibility to cause a world war out of the Czech problem and consequently the possibility to destroy the hated Third Reich. I am firmly convinced that, if Germany awaits her hour with the calmness of the strong against all provocations and completes her armaments in the meantime and especially creates a balance between military and economic preparations which now does not exist, and the creation and publicizing of a demand which is convincing in its righteousness to the German people and the outside world—the demand, for instance, for the right of self-determination by the Sudeten Germans would weaken any slogan coined by England to take her people into war against Germany—would put Czechoslovakia in the wrong before the world, the day will not be far off when the final death thrust can be dealt to the Czechs.

I am, my Fuehrer, in steadfast loyalty.

Your very devoted
(signed) Schwerin-Krosigk

TRANSLATION OF DOCUMENT EC-420

Draft

Military Economy Staff   Berlin, 19 December 1936
No. 4610/36 g.K. F.O. IaF.
Reference: L No. 2098/36 g.K. IV a of 9 December 1936
In re: Law for War Administration.

SECRET COMMAND MATTER

To: L

The Military Economy Staff expresses the following opinion on the letter of reference:

1. The control of war economy in the civilian sector in case of war is possible only for that person, who, in peacetime has made preparations for war under his own responsibility. Upon recognizing this fact, a year and a half ago, Reichsbank President Dr. Schacht was appointed Plenipotentiary General for War Economy and an Operations Staff was attached to his office. This arrangement has only the one disadvantage that the right of the Reich War Minister to give him directives is disputed by the Plenipotentiary General; the latter intends also in case of war, to place himself outside the executive power to be given to the Reich War Minister. There is unanimity between L and the Military Economy Staff regarding the necessity of a new arrangement on this matter.

2. The Military Economy Staff does not deem it compatible with the principle laid down in Number 1, Paragraph 1, if the Plenipotentiary General for War Economy is now placed under the Minister President Colonel General Goering's command. If the service agency of Colonel General Goering should not continue to exist in case of war and, therefore, would also not be able to assume any responsibility, from this arrangement will ensue a disastrous division of responsibilities.

Should, on the other hand, the intention be to keep Colonel General Goering's service agency going, also in case of war, for logical reasons, one must go all the way and entrust it, also in peace time, with the full and exclusive responsibility for the preparation of the war economy. Anything else would be a half measure, which would, like any half measure, avenge itself in case of war. But such a solution spells great danger under the prevailing circumstances.

3. So far, the Military Economy Staff has proceeded from the assumption that the service agency of Colonel General Goering is a temporarily established office set up to deal with peace time tasks. If this assumption is correct, in our opinion only the following delimitation of tasks of the Plenipotentiary General and

Colonel General Goering's service agency, respectively, are possible. All measures, which above all, serve peace time economic purposes (e.g. the assurance of the German gasoline and buna (rubber) production) and all measures which, with the consent of the Reich War Minister and of the Plenipotentiary General for War Economy, will be taken over, totally or in part, into the Four Year Plan, will be carried out responsibly by Colonel General Goering's service agency and with the cooperation of the Reich War Minister and of the Plenipotentiary General for War Economy. All remaining war preparations in the economic field will continue to be the responsibility of the Reich War Ministry or of the Plenipotentiary General for War Economy who is bound by the instructions of the deputy chairman of the Reich Defense Council.

4. The Military Economy Staff proposes, after settling the question whether the service agency of Colonel General Goering will remain in existence in case of war or after establishing the fact that it will be dissolved upon outbreak of war, to begin negotiations with Staatssekretaer Koerner. The whole question touches so decisively on the jurisdiction and the responsibility of the Military Economy Staff that the Military Economy Staff has to request, to conduct all further negotiations on this matter in closest understanding with the Military Economy Staff. Every step which is now done in the wrong direction out of ignorance of the inside facts and the effects resulting therefrom, must influence disadvantageously the Military Economy Staff in its work.

Therefore, it is being proposed to advocate absolutely that in case of war the service agency of Colonel General Goering as Commissioner for the Four Year Plan be dissolved and that for the preparation of this measure the following arrangement be prescribed:

a. The delimitation of tasks in peace time in the sense of the above made statement.

b. To keep the individual departments of the present service agency of Colonel General Goering in case of war which would then have to be attached partially to the Reich War Minister (fuels) and partially to the Plenipotentiary General for War Economy.

PARTIAL TRANSLATION OF DOCUMENT EC-421

Minutes taken by a member of the staff of General Thomas on 11 March 1938 at 1500 hours.

Present: General Thomas, Chef W Wi, W Rue, W Ro
Lt. Col. Becker, Lt. Col. Dreivs,
Lt. Col. Huenerm, Major P, and Captain Zinnemann.

Lt. Col. Huenerm reads Directive of the Fuehrer of 11 March concerning the "Action Otto" and informs us that "Economy War Service Law" has been put in force. He then reads Directives 1 and 2 and gives special orders to troops for crossing Austrian borders. After that according to a suggestion by Schacht no requests should take place but everything should be put in Reichsmarks on an exchange basis of two shillings to one Reichsmark.

PARTIAL TRANSLATION OF DOCUMENT EC-422

History of the War Economy and Armament Staff in France from July 3 to September 30, 1940. Volume I, Page 26:

The appropriation of machine tools is separated into:

a. booty—
   1. in state owned concerns.
   2. goods in railway transit.
   3. state owned property in private concerns.

b. privately owned property by requisition with permission of the military commander in France.

The necessary requirements for the reconnoitering and the removal were given by the O.K.W. on July 16, 1940, and July 25, 1940. Wi Rue staff France had already on July 10, 1940 on its own responsibility, ordered the removal of freight cars in railway transit as booty, especially since so many tracks were blocked by freight cars loaded with machine tools and other booty. The basic decree of the O.K.W., together with an additional order of August 5, 1940 was passed on by the Wi Rue staff France to the Rue In.

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EC-422

TOP SECRET

History of the War Economy and Armament Staff in France
from October 1, 1940 to December 31, 1941. Volume II
Az. 15a Abtlg. Wi 2b
Br. B. Nr. 572/42 g.Kdos.

4 copies
1st copy

DISTRIBUTION:

High Command of the Armed Forces/Economy Office:
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Defense Economy and Armament Staff France:
3rd and 4th copy (Wi rue Stab FrKr.).

INTRODUCTION

Three phases can clearly be recognized in the exploitation of occupied France: In the first phase which was virtually concluded on October 1, 1940, the task is primarily to collect booty. In this phase the legal concepts of the Hague regulations regarding land warfare are not yet strictly observed. The main purpose is to get out of France, through seizure or purchase at infinitesimal prices, the materials of use for the German armament.

In the second phase which lasted until about the middle of 1941 the main object was to obtain raw materials and finished goods so that France was bought out through regular purchases and sales at prices gradually adapted to the German level. Since the middle of 1941 the French industry has started to work for the German armament and simultaneously the offices in France for the allocation of ordnance orders have begun an activity which is increasingly similar to that of the corresponding offices in the homeland. While the main tasks fell to the economy units during the first phase and to the raw material section during the second phase, the center of gravity of activity of all armament offices, beginning in the middle of 1941 is transferred to supervision of the plants which work for the German armament. This development has not yet ended at the conclusion of the period covered by this report. In view of the increase of the orders for the supervised plants on one hand and the increasing raw material difficulties and other obstacles on the other hand, the supervision of plants and orders is increasingly gaining in importance. Therefore the center of gravity of the work has to be shifted even to a higher degree from the military staffs to the offices for allocation of ordnance orders which are in close contact with the plants. This is the aim of a draft proposal submitted at this time—March 1942—to the High Command of the Armed Forces [OKW], according to which the field offices should be transformed into armament commands with a considerable increase in personnel.

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BOOTY

[Page 51]

After repeated suggestions by the Economic Armament Staff, the High Command of the Armed Forces issued on June 16, 1941, a new order regarding booty, of which the following is significant that beyond the Hague Convention on Land Warfare, this order considers as booty privately owned finished and semifinished products if they were manufactured in fulfillment of an order of the French armed forces.

This order on booty clarifies numerous controversial points by stating that not possession but ownership is the decisive criterion. Nevertheless the Economic Armament Staff had to reply to a great number of queries from the Armament Field Office and other armed forces field offices concerning the interpretation of the term "booty" even after the issuance of this order.

It was further clarified that property seized as a prize could be treated as booty if the requirements therefor exist. This shall, however, be applied only to strategic materials (decisive for warfare).

In accordance with the above mentioned order on booty, also payments on account of the French armed forces for war material orders are to be treated as booty. At the end of December 41 the armament inspectorates were ordered to forbid the French armament firms to pay back and balance out such payments and furthermore to ask for information on these payments on account. This drive has not yet been concluded.

Various complaints by the French government make it clear that the French conception of the exercise of the booty right deviates in several points from the German orders. France supports the opinion that after conclusion of the armistice agreement no booty may be taken at all in occupied territory, particularly not in territory never conquered but voluntarily put at the disposal of the occupation. Furthermore, France insists on the Hague Conventions on Land Warfare in so far as she opposes the confiscation of private property as booty without any compensation. This opinion is legally untenable since the rights of the occupation power, according to the Hague regulations on land warfare, are not abolished by the armistice and therefore neither the right of booty. The newly occupied territory has been occupied under exactly the same conditions as the military conquered territory. Through this the occupation power has acquired the right of booty here also. The booty order of June 16, 1941, which considers also finished and semi-finished war material held by private firms as booty if they were ordered by the French armed forces is based on the fact that the French industry must be considered as nothing but an extension of the French armed forces and that the formal transfer of property according to French civil law must not thwart the booty right based on international law.

TRANSLATION OF DOCUMENT EC–427

REICH MINISTER

January 20, 1939.

RK. 1628 B

To The Reichsbank Board of Directors *Berlin, SW 111*

I am enclosing the photostat of a decree issued by the Fuehrer on January 19, 1939, which is not for publication and is to be treated as a secret matter of state.

At the same time, I have the honor to inform you that the Fuehrer has recalled from office the President of the Reichsbank, Dr. Hjalmar Schacht, in accordance with paragraph 6 section 7 of the banking act and has appointed Reich Minister of Economy, Walther Funk, who retains his office as Reich Minister of Economy, to the Presidency of the Reichsbank.

The Fuehrer has further recalled from office, the members of the Reichsbank Directory, Více President Drepe and Director Huelse.

(signed) Dr. Lammers

PARTIAL COPY OF DOCUMENT EC–432

Douglas Miller's Annual Economic Review—Germany 1935

"The year 1935 was memorable in Germany for the revival of universal military service and of rearmament on a huge scale. In March, General Goering paved the way by announcing the creation of a German air force. A few days later, Reich Chancellor Hitler announced that universal military service was to be inaugurated during the year, that in the future German youths of 19 would be called for preliminary service in work camps and later on to be taken over by the Army."

* * * * * * *

[Page 3] "The German production of motor fuel (gasoline, benzol and alcohol) which formerly made up only about 10 per cent of Germany's total motor fuel requirements of 3 million tons a year, is now one-third of the total . . . . . It is estimated that within two years Germany can produce approximately two-thirds of its annual petroleum requirements from domestic sources or enough to satisfy military needs in time of war when civilian use of automobiles is curtailed. * * * The new motorized German army will be able to stand on its own feet in regard to fuel supplies. * * * Germany is making a tremendous effort at national self-sufficiency in war materials as well as in foodstuffs and hopes to become blockade-proof. One can say that the goal is permanent industrial mobilization."

* * * * * * *

[Pages 21-22] "At all events, it is plain that Germany is steering toward a system of state capitalism with the major emphasis upon military preparedness. * * * All in all, Germany is investing its capital and its manpower in military preparations. If no war comes, this will certainly prove at the very best a waste of much-needed resources."

"In 1935, rearmament definitely became the dominating factor in German economics and finance. The transition from a professional army restricted by the Versailles Treaty to 100,000 men, to a conscription army of probably half a million equipped with all arms and weapons such as tanks, heavy artillery, etc., that were also prohibited under the treaty, meant a colossal one-time expenditure. The simultaneous creation of the most modern air force in Europe added tremendously to this heavy burden."

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[Page 23] Dr. Schacht in his famous Koenigsberg address on August 18, 1935, stated that: "Just as a soldier is doing his duty in the army, every German citizen engaged in economic pursuits must have the feeling that he is serving the community. Economic duty and economic will are the corollaries of military service and the will to defense."

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[Page 25] "Practically every current measure of economic policy and administration is considered from the angle of military preparedness."

"The favored method of economic preparedness and mobilization aims at standardization of the equipment and current production of private industries so as to be able to turn them over to military production with the least possible delay in time of war. Emphasis laid not on large stocks but on capacity."

Koenigsberg Speech of President of the Reichsbank and Acting Minister of Commerce, Dr. Hjalmar Schacht, at the German Eastern Fair.

The members of the Government welcome with special pleasure the occasion to come to East Prussia. As it is said in the East-Prussian song "Aennchen von Tharau"; "My life is bound with yours", our visit should show you, my East-Prussian friends, that the life of Germany is bound with that of East-Prussia eternally and unchangeably. With this feeling and conviction, I bring the greetings of our "Fuehrer", in whose name and spirit our feeling for German unity sends down stronger and stronger roots, and I also bring you the greetings of the Reichs government, who will always be aware of the care and welfare of East-Prussia, and those of the Prussian government and of the Prussian prime minister, who has become the patron of the Eastern Fair.

My East Prussian friends, you have seen me within your walls several times before. I especially appreciate this visit, because on these previous occasions, it was anxiety which spoke to you; but today, despite all worries, which we still have and some of which are unfortunately caused by ourselves, I am full of a feeling of joy and hope on this visit. I come into a sphere of action, which has, since the National Socialist revolution, attacked its economic and cultural problems with particular vitality, and has solved them to a surprising extent.

At this time, I wish to express, while recognizing the cooperation of all concerned, how much of this success, Herr Oberpraesident, is due to your energy and initiative. An initiative which occasionally reaches for the impossible, and an energy which is not always suitable for weak nerves; but both led and clarified by an understanding of the realities and humanities of life. Whoever has seen East-Prussia in years past and compares her with what has been created today, cannot fail to recognize and appreciate her progress.

Today, we are invited by the Koenigsberg Eastern Fair to test what has just been said. Not only are interested persons and buyers from within Germany herself participating in this test of German achievement, but also a considerable number of representatives from abroad. Also a considerable number of foreign nations took the occasion of this Koenigsberg Eastern Fair, to acquaint us with their own products, and with particular pleasure, I welcome this year several new nations who had not been represented at previous fairs. During this period, certain circles abroad find pleasure in calling every broken windowpane in Germany a cultural infamy, without considering that these circles themselves smashed more windows than can ever be paid for by the political leaders of the world with their efforts towards peace; in such a period, I wish to emphasize, to establish in the name of the government, that we have the heartiest desire to conduct peaceful economic and cultural exchange with all people and nations of the earth. During a time when credit and confidence have almost disappeared from the world, we wish to emphasize that self-esteem demands the esteem of others, that the assertion of our characteristics does not mean the belittling of the characteristics of others, that the recognition of foreign achievement can only improve our achievement, and that economic competition can only be won by exemplary performance, and not by force or cunning. I therefore welcome it that our visitors from abroad at this Eastern Fair, will find many opportunities, and exploit them, to become familiar with the achievements, not only of our industry and craftsmanship, but also of our agriculture, which is especially here in East Prussia, a bountiful source of supply, in the cultivation of seed grain and animal-breeding.

The emphasis on the real achievement, which is brought at such a fair, is more suitable than anything else to distract us from the cheap slogans of certain political economists, who, as Goethe said, substitute violence for the truth and power they lack. Germany is today in the midst of one of the greatest problems, which has come to her in history, and the whole world is amazed how a nation impoverished by war and war tribute, by inflation and deflation, is able to make these tremendous economic sacrifices, which this problem necessitates. Those thoughtless amateurs do not have the slightest idea what financial and economic-political efforts are necessary for the solution of this problem. For example, a prominent newspaper speaks about the new *spirit*, which made science supreme over economics, and according to which economics is forced to keep pace with science, "even if it loses its breath". The writer apparently supposes that asthma is a special stimulant toward the achievement of better performance. Whose heart would not beat higher when he reads these slogans: "The flag is more than a bank account", "The people is of the first importance, and not business". Such slogans are disarmingly correct but can the economist use them for his practical work? A short time ago when I emphasized in public that German economy must be kept free from alarm, I could read that the questioning, whether a measure alarms the economy, was "liberalistic". My indication that the rearmament of our people demands the concentration of everyone, as well as all economic and financial forces, was done away with by the argument, that only old women would still wring their hands and ask: "Who will pay for all this." Taking a chance of being called an old woman, I wish to explain with all clarity, that the question of the actual execution of this problem which has been put to us, gives me a considerable headache.

My German compatriots, to dismiss the seriousness of our German mission with cheap slogans, not only does not make any sense, but also is damned [Verdammt] dangerous. The whole world around us is in the midst of depression, worries, and difficulties, and it would be ridiculous to imagine that we are an exception. On the contrary, our problem is considerably more difficult than that of foreign countries. Germany, who lost the greatest war of all times, with a tremendous expenditure of blood and material sacrifice, from whom after the war tributes were extorted to the extreme by the most stupid peace treaty of all times, who was cheated during the inflation out of the savings of her most industrious workers, and finally, who was hit hardest during the world depression, which already has lasted six years; Germany, this much tried land, pulls herself together with a tremendous harnessing of the means left to her, to regain the political liberty of the nation. She does that, because a "Fuehrer" has risen within her, who brings home to millions the conviction that no people can gain and safeguard material security without this political liberty. Especially East-Prussia already has lived through a similar period, at a time when our great-grandfathers lived, when every single citizen contributed toward the winning of political freedom by the utmost economic sacrifices. But what is happening today is far above the position and performance of this small Prussian territory of the wars of liberation. But woe unto us, if we only want to be contemporaries of such an enterprise instead of co-fighters and helpers. Adolf Hitler has called the German people to this new, almost impossible effort, with boundless courage, statesmanlike skill, and with an unerring sense of responsibility toward history; and the impossible has become fact. A people, weakened by two decades of poverty, under its Fuehrer shakes off the paralyzing weakness, arises in the midst of a world, full of dislikes of former enemies, and regains its national honor and freedom from the rest of the world, to secure for all times its material and cultural foundations. The entire national policy is governed by this historical problem; all parts of this national policy, of which financial and economic politics are primarily a part, are aimed at this goal. Whoever meddles with this economic life must have the feeling that he is in the service of the whole. The obligation and will to serve in the armed forces compares to the obligation and will to serve the national economy.

Unfortunately, not all of our compatriots are conscious of this. First, there are the 10 percent who cannot be taught, who are known opponents and saboteurs, and to whom the Fuehrer recently directed very plain words. Then there are those of our contemporaries, about whom it is best to pray: "Lord, save me from my friends". Those are the people who heroically smear window panes in the middle of the night, who brand every German who trades in a Jewish store as a traitor, who condemn every former free-mason as a bum, and who, in the just fight against priests and ministers who talk politics from the pulpit, cannot themselves distinguish between religion and misuse of the pulpit. The goal at which these people aim is generally correct and good. There is no place in the Third "Reich" for secret societies, regardless of how harmless they are. The priest and preachers should take care of the souls, and not meddle in politics. The Jew must realize that their influence is gone for all times. We desire to keep our people and our culture pure and distinctive, just as the Jews have always demanded this of themselves since the time of the prophet Ezra. But the solution of these problems must be brought about under state leadership, and cannot be left to unregulated individual actions, which mean a disturbing influence on the national economy, and which have therefore been forbidden repeatedly by governmental agencies as well as party agencies. As always, according to the stage of legislation as well as several declarations of the Fuehrer's deputy, the Minister of the Interior and the Minister for Public Enlightenment and Propaganda (not to mention the Minister of Economics), Jewish enterprises are permitted to carry on their business activities. It is for the national government to decide whether and when these should be limited. However, all those who will not subordinate themselves to this decision of the government, act without discipline, and I shall hold them responsible, if their actions make impossible, the carrying out of the economic and financial policies, which were entrusted to us by the Fuehrer.

Economy is a very sensitive organism. Every disturbance, from whatever direction it may come, acts as sand in the machine. Since our economy is closely allied with that of foreign countries, not one of us, especially myself, as the minister responsible for the maintenance of the German economic machinery, can be indifferent to what consequences these disturbances can have at home and abroad. It is absolutely necessary for the leadership of our economic policies that confidence in Germany as a constitutional state remain unshaken. No one in Germany is deprived of his rights.

According to point 4 of the National-Socialist party program, the Jew can neither become a citizen or a fellow German. But point 5 provides legislation for him, that means, he must not be under arbitrary action, but under the law. *This legislation is being prepared and must be awaited.* Until such time, the existing laws must be observed. I also mention this here in connection with the whole of the church problem, which has for Germany a far greater importance than the Jewish question.

Without mutual confidence among those engaged in economic life, no economic policies can be carried out. One of the main causes for the long duration of the depression is the fact that this confidence is so little held in the whole world today. Every economic task is disturbed by this lack of confidence. Even if I ignore these people, who cannot do otherwise because of customary enmity, than utter doubt and suspicion toward our economy; I still would like to present to the well-meaning doubter at home and abroad some facts and figures, which will illustrate our economic policies.

In one point, indeed, I agree with my foreign critics, namely that the foreign debts which we have are a heavy load for us. In this respect also, we have in Germany several unswerving individuals who cannot understand at all that we concern ourselves about paying our debts. The lack of consideration of private property, which has been shown by our enemies during war and in the peace treaty, has found its imitators. That in which the enemy governments have sinned a great deal we can rightfully call, the worst type of barbarism in history. This planned and considered barbarism is, in fact, far worse than American lynch justice, or individual action, which also occurs elsewhere. But we, as Germans, do not desire to imitate such barbarism. We do not want to forget that our foreign creditors are not the governments, but thousands of individual foreign citizens, who loaned us their savings. Especially, we do not want to forget, that among them were numerous pro-German people, who had the good faith to help us with those loans. I regret it extremely that Germany is not at present in the position to honor her foreign obligations fully because of the difficulties of transfer [Transferschwierigkeiten], but I shall not cease to make every effort possible to satisfy the existing obligations.

In a second point, I disagree somewhat with my foreign critics. These critics apparently like to spread the opinion that Germany is not able to procure the needed raw materials from abroad. My German compatriots, it has been exactly a year since I with the consent of the Fuehrer, declared it to be the basis of German economic policy, not to buy more than we can pay for, and mainly to buy what we need, and only secondly to buy what is unnecessary and superfluous for us. Since the proclamation of the so called "New Plan", we have been in an almost uninterrupted series of conferences with many countries about the mutual exchange of goods. I have not found as yet, that any one of the foreign countries has given any indication of excluding itself. It is correct, that our trade relation to the different countries has changed a great deal; but just this has created for a number of countries entirely new possibilities of export to the German markets, which has contributed greatly toward the relief of the depression in those countries. And especially those countries which have not been hampered by excessive political foreign debts or other political ties in their trade policy, have benefited a great deal by this "New Plan" of German economic policy. The real cause for these changes lies in the fact that the international credit-machinery, which has formerly financed the three-sided or many-sided trade exchanges unfortunately does not function any more. This has of a necessity led to an increase of the two-sided exchange of trade. The international credit machinery will only then function again, when the old obligations of political debts, caused by the war and the peace treaty, will have disappeared. Only then will a real revival of world trade take place, and I do not doubt that Germany will participate. But until that day, we will help ourselves through thick and thin, with the present methods, although they have reduced the volume of trade; but they function well within this reduced volume.

At last, I come to the third point; the internal financing of our entire reemployment program inclusive of rearmament. There are also some very important people and experts at home and abroad, who break their heads, over the question of where the money for reemployment should come from after all. I cannot belittle this question which concerns me daily; but I can assure that neither witchcraft nor tricks are used. The secret consists solely of the universal and strict centralization of the entire financial and economic policy, which is only possible in an autocratic state. The problem could not be solved with a democratic parliament. The fact is that the tax income has increased greatly with the progress of gainful employment. The fluidity of the money market made it possible for the Reich to issue to a considerable extent interest-bearing and non-interest bearing treasury bonds. The Reichsbank was able to give aid, as long as it was possible, because private business called on it to a decreased extent. The loosening up of bank debtors because of increased gainful employment, made it possible to transfer some of the credit, necessary for reemployment, to private agencies of the banking trade. The money, which was put into the economic process by public works is thus put at the disposal of the Reich for its great problems again by business itself. The very minor increase of the cash circulation, and the somewhat greater increase of payment without cash, but by check, is a natural consequence of the increased trade turnover.

Thus, we have anticipated, at the expense of some short term money, a later permanent financing. This later consolidation is, of course, an important and inescapable problem, and it is not above me, to declare that the main difficulty still lies ahead of us. My German compatriots, no one may forget, that thanks to the government's reemployment program, and especially the rearmament program, that the vast army of unemployed has almost been done away with. The amounts necessary for this are according to normal standards enormously high and they must be financed by the achievement and savings of the people. I must say again to the German people, that we do not live in a Utopia. Unfortunately, I must say that the theorists, who have dabbled with the cutting of taxes, bank papers, notes and so on, have sinned a great deal. Since my first speech on financial policy in my capacity as President of the Reichsbank in February 1924 in Koenigsberg, I have never ceased to point out the size and difficulty of our financial problems, and to plead for economy in public expenditures. Today again I raise my voice in warning. The size of the sums, which are being expended for reemployment, can easily lead to the opinion in this or that agency that a few millions more or less do not matter. During a time, when it is impossible for us to consider an increase of wages, every penny, spent unnecessarily, is an obstruction of the entire situation, and one cannot appeal enough to the sense of responsibility of all spending agencies.

There is a modern theory, which is of the opinion, that the more one spends the richer one becomes. This type of economist is to be considered the same way that scientists consider the inventor of perpetual motion.

If we have chosen for the present financing of the reemployment program the course of the short-term money market, that is, not a careless financial policy, but a well thought out transitory measure until the day when sufficient savings have accumulated for a longer term consolidation. It is the capacity of our people for saving, to which we finally have to entrust this consolidation. But capacity for saving will only show itself if there is a will for saving; and I hope, that all the money theorists, who always want to present these works of art, realize from my explanations the damage they do, when they propose again and again these plans for devaluation and similar plans. Whoever has followed my explanations will realize, that the financial execution of the Fuehrer's great task stands and falls with the confidence in the security and stability of the Reich and its agencies. It would really be suicide and would make the carrying out of the reemployment and rearmament program impossible, if the government would violate the interests of the thrifty persons. In the final analysis, the reemployment must be financed by the saved surpluses of business and labor; never may or can this be done at the expense of the currency standard. Also, never can or may business and labor get away from this problem.

From time to time a certain psychology of real property [Sachwertpsychose] appears with certain people, that means the attempt to escape a supposed danger of devaluation by the purchase of valuable property, stocks and bonds and other real property. My German compatriots, I believe the Minister of Finance and myself, have already shown by the measures taken so far, that we know how to handle these sly fellows. I emphasize now that all of us are in the *same* boat, and no one will be given the opportunity to get out. There is only one thing. Confidence in the seaworthiness of this ship and in the captain's leadership of the German ship of state. But this captain has given a speech on 21 March 1934 about the formation of German savings capital, and he spoke these words: "We shall promote the formation of capital, and in the process, we shall use no means whatsoever, which will in any way violate the rights of private property, or terms of contracts. The confidence of the German savers will in the future as well, not be disappointed by arbitrary interference or by careless financial policy."

My German compatriots, there is for no German a better or more useful investment of his savings than to put them at the disposal of Germany for the accomplishment of the reemployment program. It is only the government, who made a savings program possible again by its courageous and all-embracing measures for the removal of unemployment. Every individual, therefore, must contribute in his own interest, that the Fuehrer's gigantic work of reconstruction can be continued and completed; in that everyone should place his savings at the service of these urgent problems which are important for everyone until such a time when normal trade conditions have returned in the world.

This is the only way, by which the peaceful work and peaceful existence of our people can be assured.

This eastern fair, opened today, is evidence of this will for peaceful work, of this confidence in our own efforts. May it be stimulating at home and abroad, and especially, may it appear to our neighbors near and far in the East as a pillar for a bridge, which will facilitate our getting together and which will increase the mutual exchange of our economic and cultural products.

COPY OF DOCUMENT EC-436

DEPOSITION

2 November 1945

I, Emil Puhl, was a Director of the Reichsbank during the entire period of Dr. Schacht's Presidency of the Reichsbank in the years 1933 to 1939.

In the early part of 1935 the need for financing an accelerated rearmament program arose. Dr. Schacht, President of the Reichsbank, after considering various techniques of financing, proposed the use of "mefo" bills to provide a substantial portion of the funds needed for the rearmament program. This method had as one of its primary advantages the fact that secrecy would be possible during the first years of the rearmament program and figures indicating the extent of rearmament that would have become public through the use of other methods could be kept secret through the use of "mefo" bills.

"Mefo" bills, abbreviation for "mefo-wechsel", were drawn by the armament contractor and accepted by the Metallurgische Forschungsgesellschaft m.b.H. These bills ran for six months with extensions running for three months each consecutively. The total life of these bills varied and in some instances exceeded four years. The Reichsbank could discount the original bill any time within its last three months. The co-endorser and drawer did not have to accept any liability. (This provision results from a guarantee of the bill by the Reich.)

These "mefo" bills were used exclusively for financing rearmament, and when in March 1938, a new finance program discontinuing the use of "mefo" bills was announced by Dr. Schacht, there was a total volume outstanding of twelve billion marks of "mefo" bills which had been issued to finance rearmament. One of the primary reasons for discontinuing financing rearmament with "mefo" bills was that by the spring of 1938 it was no longer considered necessary to keep secret the progress of German rearmament. The rearmament boom had reached such proportions by the spring of 1938 that it became possible to raise sums by taxation and by the sale of government securities which could never have been raised when the armament program acceleration began in 1935.

I hereby swear that the foregoing is a true and correct statement of the facts.

Emil Puhl

Witness: Foster Adams
Witness: Merle K. Brenizer

COPY OF DOCUMENT EC-437

AFFIDAVIT OF EMIL PUHL

I, Emil Puhl, make the following deposition under oath:

I was an official of the Reichsbank for over thirty years and a Director of the Reichsbank during the entire period of Dr. Schacht's presidency in the years 1933-1939.

The financial crisis that was precipitated by the application of the Oesterreichische Creditanstalt fur Handel und Gewerbe to the Austrian Government for assistance reached its climax in Germany in July of 1931. Stock exchanges were closed, most of the banks, with the exception of the Reichsbank, suspended cash payments and a brief banking holiday was declared.

One of the principal causes of this financial crisis in Germany was the demand by foreign creditors for the repayment of their loans in foreign currencies which loans had been made to German financial, industrial and governmental organizations. To block this tremendous drain of Germany's gold and foreign exchange, an emergency decree of about 15 July concentrated all foreign exchange reserves in the Reichsbank. These provisional measures brought about by this financial crisis marked a great change in the money and banking methods of Germany and in subsequent years these early controls were expanded and drastically tightened.

To provide relief, the Hoover Moratorium in July 1931 suspended German reparation payments for one year. To meet the problem of short-term indebtedness "stand-still" agreements were made with foreign creditors. These generally provided more lenient terms for the German debtor and created various methods of partial repayment through providing marks with limited uses, such as travel in Germany. These "stand-still" agreements were revised and extended from time to time.

After Hitler came to power and after Schacht returned to the presidency of the Reichsbank, the problem of Germany's long and medium term indebtedness was met by the declaration of a transfer moratorium. By law, starting 1 July 1933, German debtors were compelled to make payments in Reichsmarks (instead of the foreign currency in which the debt might have been incurred) on all interest and amortization payments of foreign debts incurred before the July 1931 crisis to the Konversionskasse fuer Auslandsschulden which was under the supervision of the Reichsbank. The law was not applicable to debts for which "stand-still" agreements had been concluded, the Dawes loans, the Young loans, or other foreign loans for which special arrangements were made. It was left to the discretion of the Reichsbank to determine when (if ever) transfer into foreign currency should be made from the funds of the Konversionskasse. Immediate threats of retaliatory measures by foreign countries brought a partial payment of interest charges in foreign exchange and in "scrip" which were sold at a substantial discount. However, after 1 July 1934, a complete transfer moratorium was put into effect and no more foreign exchange transfers for payment of interest and amortization took place, as funding bonds were offered the foreign creditor as payment. This was an arrangement made by the Reichsbankdirektorium under the leadership of Schacht.

The devaluation of the currencies of other leading countries increased the difficulties of Germany's foreign trade position. Earlier the Bruening Government had decided not to devalue the RM because it felt itself bound to the international agreements on which the German currency was based, and it was unwilling to violate these international agreements. These deflationary policies did not prove popular with the German people and the leadership of the German government passed successively from Bruening to von Papen, to von Schleicher and to Hitler. Von Papen and von Schleicher, who held office briefly, did not devalue the RM officially. Hitler too refused to devalue the RM officially through fear that such a move would cost him the support of the

German people, who had a deadly fear of inflation and who believed that devaluation meant inflation.

Von Papen, von Schleicher and Hitler created employment through public spending on autobahns and other public works. When the effect on employment of this public spending for public works had reached its peak the Hitler regime reintroduced German conscription and initiated an accelerated rearmament program which resulted in full employment and a business "boom". As a result of these activities, Germany's price level rose and this rise handicapped her exports. The German demand for imports increased sharply as the accelerated rearmament program got under way. The drop in exports, the urgent need for imports for rearmament and Germany's lack of foreign exchange reserves made it necessary for her to devise a method to pay for the needed imports.

Under the leadership of Schacht, increased use was made of the device of blocked accounts to provide marks, some of which could be used for partial payments of imports. These marks were sold at substantial discounts and the losses represented by these discounts were taken by the foreign creditors to whom these marks belonged.

These blocked mark balances were held by foreign creditors with German banks. Because they were blocked, their owners were unable to convert them into foreign currencies through normal channels. These blocked balances were frequently traded outside of Germany as special kinds of mark exchange and these different kinds of marks sold at varying discounts which at times exceeded 50%. Schacht as Minister of Economics influenced the rates on these various kinds of marks by decrees and regulations extending or narrowing the range of their use.

Schacht in his dual capacity as president of the Reichsbank and Minister of Economics developed measures which he announced under the title of the "New Plan" to broaden the control over the German economy. It provided totalitarian controls over devisen and commodities. The program under the "New Plan" put Germany's foreign trade largely on a barter basis. Schacht, by these measures, sought to restrict the demand for foreign exchange and to increase its supply. He was successful in restricting the demand for foreign exchange by various measures suspending the service on Germany's foreign indebtedness, by freezing other claims of foreigners on Germany, by a stringent system of import controls and by eliminating foreign travel and other unessential foreign expenditures.

To increase the available supply of foreign exchange, Schacht repeatedly requisitioned all existing foreign exchange reserves of German residents, required all foreign exchange arising out of current exports and other transactions to be sold to the Reichsbank and by developing new export markets. Exports were encouraged by direct subsidies and by accepting partial payment in German foreign bonds or in restricted marks which could be acquired by foreign importers at a substantial discount.

Schacht actively developed barter with foreign customers and "clearing agreements" with foreign nations. Under Schacht's leadership Germany was quite successful in developing her foreign trade by these methods in Latin America and in southeastern Europe. He cleverly exploited Germany's bartering power in driving down import prices and raising export prices and, in some instances, securing credits from weaker countries which were subsequently used for imports from Germany.

The clearing agreements were primarily for the purpose of obtaining raw materials for armament and food and export industries.

Where clearing and payment agreements between governments or central banks were not used, the foreign exporters were often paid in mark balances called Aski marks, which they had to sell to the importers of German goods in their country. These marks sold at a substantial discount. Up to the end of 1938 clearing and payment agreements with over 40 countries had been concluded by Germany, and German foreign trade was dominated by this system. The share in Germany's export trade of countries using these methods exceeded eighty per cent in 1938.

An elaborate organization was developed to supervise and control this system. The Reichsbank, the Deutsche Gold Discountbank and Verrechnungskasse and the Reichswirtsschaftsminister were all involved in this supervision and control, and the last named operated through the Uberwachungsstellen (supervisory boards) and devisenstellen (foreign exchange control offices). The Reichsbank in addition to its monopoly in foreign exchange transactions carried out the "stand-still" agreements and administered the Konversionkasse and the Verrechnungskasse (clearing bank). The heart of the system was the Reichswirtsschaftsminister and his agencies in the supervisory boards and the foreign exchange control offices. The supervisory boards issued licenses for imports and separate boards were set up for specific commodities or commodity groups. The boards were assisted by customs officials and thousands of officials were involved in providing the tight controls which were instituted under Schacht's leadership.

This control enabled the Reich to favour the import of raw materials for armament and to select raw materials for the export industries which could produce required foreign exchange.

I understand the English language.

[signed] Puhl

Sworn to before me this seventh day of November 1945 at Frankfurt, Germany.

[signed] Edward A. Tenenbaum
O—870114, 1st. Lt. AC.

COPY OF DOCUMENT EC-438

AFFIDAVIT OF EMIL PUHL.

I, Emil Puhl, make the following deposition under oath:

I was a director of the Reichsbank during the entire period of Dr. Schacht's presidency of the Reichsbank from the years 1933 to 1939.

1. With respect to financing of armaments through the Reichsbank, although Mefo financing was stopped as of April 1, 1938, it is clear that the Reichsbank continued indirectly to help Hitler's armament program. This may be seen from the fact that the bank increased its portfolio of Inlands Wechsel, including of course commercial paper, from 5.8 billion RM in January 1938 to 7.9 billion RM on December 31, 1938. While I do not have the exact figures, a good deal of this increase took place between April 1, 1938 and December 31, 1938. This increase in the holding of internal bills was made by a proportionate increase in the bank note circulation, which rose from 5.6 billion RM on April 1, 1938 to 8.2 billion RM on December 31, 1938. Thus, in effect, by continuing to increase the bank note circulation and by absorbing bills which were paid for by this means, the Reichsbank was really making that much more credit available to the armaments program. This was clearly understood by all concerned.

2. There was a great increase in armaments during 1938 and this accounted for a certain amount of the increased note circulation. Thus, the bank note circulation rose by about 2.6 billion RM, that is from 5.6 to 8.2 billion RM from April 1, 1938 to December 31, 1938. A large amount of this increase was due to the pressure on the Reichsbank to discount mefo bills held in portfolios outside the Reichsbank. There is no question that the Reichsbank under Schacht during the year 1938 resorted to inflationary practices which aided rearmament. Since the Reichs-

bank had to meet the pressure of the money market resulting from the tendering for discount of large amounts of mefo bills automatically the bank note circulation was increased to meet the requirements.

3. It was understood at the beginning that mefo bill financing could be used only to the point where full employment and production were achieved. When full employment was reached it was clear to all that a further credit expansion in itself would not result in increased production. Simultaneously when such a point would be reached it was expected that the rise in the national income would provide sufficient taxes and savings for public loans to finance armaments from the budget. In the judgment of a number of directors of the Reichsbank, and this was the subject of discussion in the board, this point had been reached a year or two before mefo financing was stopped. When Schacht promised Hitler another 3 billion RM for financing mefo bills in early 1937 the Reichsbank Directorate was quite worried. The arrangement was made by Schacht with Hitler without prior agreement of the board of the bank which knew of the arrangements only after Schacht reported that he had made the agreement with Hitler. The feeling of members of the Reichsbank board at the time was that further armament financing should be done through the budget, mostly by an increase of taxation.

4. The high amount of mefo bills held by the Reichsbank was always considered risky, and, particularly as, in times of financial stringency, the bills outside the Reichsbank might be presented for discount and require an increase in the note circulation and so lead to inflation. Mefo financing was an entirely risky proposition. The hope was that some day there would be a balancing of the budget and a provision for the repayment of these bills without resorting to new credits. It did not, however, work out that way. When Schacht saw that the risky situation which he had sponsored was becoming insoluble he was more and more anxious to get out. This desire to get out of a bad situation was for a long time the leitmotif of Schacht's conversation with the directors of the bank. He also suggested to give a warning signal to the Government against inflation.

I understand the English language.

[signed] Puhl

Sworn to before me this eighth day of November 1945 at Frankfurt, Germany.

[signed] Edward A. Tenenbaum
O—870114, 1st Lt. AC.

AFFIDAVIT OF GEORG VON SCHNITZLER.

I, Georg von Schnitzler, a member of the Vorstand of I.G. Farben, make the following deposition under oath:

At the end of February 1933, 4 members of the Vorstand of I.G. Farben including Dr. Bosch, the head of the Vorstand, and myself were asked by the office of the president of the Reichstag to attend a meeting in his house. The purpose of which was not given. I do not remember the two other colleagues of mine who were also invited. I believe the invitation reached me during one of my business trips to Berlin. I went to the meeting which was attended by about 20 persons who I believe were mostly leading industrialists from the Ruhr.

Among those present I remember:

Dr. Schacht, who at that time was not yet head of the Reichsbank again and not yet Minister of Economics.

Krupp von Bohlen, who in the beginning of 1933 presided over the Reichsverband der Deutschen Industrie which later on was changed into the semi-official organization "Reichsgruppe Industrie".

Dr. Albert Vogler, the leading man of the Vereinigte Stahlwerke.

Von Lowenfeld from an industrial work in Essen.

Dr. Stein, head of the Gewerkschaft Auguste Victoria, a mine which belongs to the I.G. Dr. Stein was an active member of the Deutsche Volkspartei.

I remember that Dr. Schacht acted as a kind of host.

While I had expected the appearance of Goering, Hitler entered the room, shook hands with everybody and took a seat at the top of the table. In a long speech he talked mainly about the danger of communism over which he pretended that he just had won a decisive victory.

He then talked about the "Bundnis" (alliance) into which his party and the Deutsche-Nationale Volkspartei had entered. This latter party in the meantime had been reorganized by Herr von Papen. At the end he came to the point which seemed to me the purpose of the meeting. Hitler stressed the importance that the two aforementioned parties should gain the majority in the coming Reichstag election. Krupp von Bohlen thanked Hitler for his speech. After Hitler had left the room, Dr. Schacht proposed to the meeting the raising of an election fund of—as far as I remember—RM 3,000,000. The fund should be distributed between the two "Allies" according to their relative strength at the time being. Dr. Stein suggested that the Deutsche Volkspartei should be included which suggestion when, I rightly remember, was accepted. The amount which the individual firms had to contribute were not discussed.

I did not take part in the discussion but reported the matter the next day, or on the one following, to Dr. Bosch in Frankfurt who together with Geh. Rat Schmitz had reserved exclusively for themselves the handling of distribution of money to political parties, the press etc. and had made a special point of "Vertraulichkeit" (secrecy) in this respect.

Dr. Bosch did not, as far as I remember, make any remark to my report, but shrugged his shoulders.

I never heard again of the whole matter but I believe that either the buro of Goering, or Schacht, or the Reichsverband for Deutschen Industrie had asked the office of Bosch or Schmitz for payment of I.G.'s share in the election fund. As I did not take the matter up again I did not know, even at that time, whether and which amount had been paid by the I.G. According to the volume of the I.G. I should estimate I.G.'s share being something like 10% of the election fund, but as far as I know there is no evidence that I.G. Farben participated in the payment.

I understand the English language.

G. von Schnitzler

Sworn to before me this 10th day of November 1945 at Frankfurt, Germany.

Otto P. Streubel
2nd Lt. Inf.

COPY OF DOCUMENT EC-450

STATE OF NEW YORK, }
} SS.:
COUNTY OF NEW YORK, }

S. R. Fuller, Jr., being first duly sworn according to law, deposes and says:

1. This affidavit has been prepared and executed at the written request of Lt. Col. John W. Griggs, officer in charge, Office of U.S. Chief Counsel for Prosecution of Axis Criminality, Room 4E869, The Pentagon, Washington, D.C. The letter of request from Lt. Col. Griggs, dated October 8, 1945, reads as follows:

> "In accordance with the conversation of 6 October 1945 between you and Captain Conkling of this office, there is inclosed a photostatic copy of 'Enclosure B' of your memo-

randum to President Roosevelt, dated 11 October 1935.
"It is requested that you attach a signed affidavit to the inclosed photostat to the effect that it is a true account of your conversation with Dr. Hjalmar Schacht on 23 September 1935 and return the affidavit and photostat to this office."

2. The attached photostat, marked "Enclosure B", referred to in Lt. Col. Griggs' letter of October 8, 1945, above quoted, is a true copy, except for marginal numerals and the word "Hitler" on page 6 margin, of a memorandum of conversation between Dr. Hjalmar Schacht and me, which took place 23 September 1935 in Berlin.

3. The original memorandum was sent as "Enclosure B" with a confidential report from me to President Roosevelt, dated 11 October 1935. As I advised the President in this report, the transcription of the conversation recorded in "Enclosure B" is not word for word accurate; but it was made from longhand notes written by me immediately after the conversation, and is substantially word for word accurate, and is exactly accurate as to meaning.

[signed] S. R. Fuller, Jr.

Subscribed and sworn to before me this 18th day of October, 1945.

Alfred M. Reed,
Notary Public.
Alfred M. Reed,
Notary Public, Westchester County
Certificate filed in N.Y. Co., CLK's No.830, Reg.No.S39-R-6
Commission Expires March 30, 1946

Enclosure B

Memorandum of conversation between Dr. Hjalmar Schacht, Minister of Economics and President of the Reichsbank of Germany, and S. R. Fuller, Jr., 23 September, 1935, 2:30 p.m. to 3:30 p.m. at the American Embassy, Berlin.

The conversation took place in a library of the U. S. Embassy after a luncheon given for us by Ambassador Dodd at which were present, among others the Danish Minister; a representative of the German Foreign Office; First Secretary of the U. S. Embassy and Mrs. Flack; Ambassador and Mrs. Dodd; Mr. Geist, acting U. S. Consul General in Berlin; Mrs. Fuller; Dr. and Mrs. Schacht.

Before luncheon Mr. Dodd told Dr. Schacht privately, but in my presence, that the President desired that I speak to Dr. Schacht. It was thereupon arranged that immediately after luncheon Dr. Schacht and I would retire to one of the Embassy rooms alone. After luncheon we did so.

F. "The President is desirous of knowing whether Europe, and especially Germany, is heading. What is her end? It is recognized, of course,that you can speak frankly, or you need not; and I can do the same. However, our world is in chaos; and somebody must use sense."

S. "Somebody must, Mr. Fuller."

F. "Else we shall all kill each other or be killed by others."

S. "Yes, it is true. I hope we may speak frankly. I will. And I would like you to understand that in so doing we can keep to ourselves such part of our conversation as we may agree upon."

F. "We can discuss that before we part to what I am sure will be an understanding."

S. "Speaking of Germany, what is it you wish to know of her ends? Do you mean her political, her economic, or her moral ends?

F. "Are not the economic and political ends interwoven?"

S. "Yes—of course, they are. Let me give you first the German present background then. The defeat of Germany at the end of the war left our people with their morale broken. The chaos of the war was political, economic, and moral. This man (meaning Hitler) set about first to raise the moral standard of the nation. That is why I think him a great man; he has raised the moral standard of his people.

"I am a great admirer of Mr. Roosevelt. In many respects your problems and Germany's are the same. In both countries, unhappiness of the poor has occurred; their unrest has been obvious. In both countries, laws have been enacted to help the poor.

"But to get back to Germany, we do not want a socialistic state where all impulses of development come from the government and individual initiative is non-existent or stifled. That is not Hitler's idea at all. Nor do we want a free and untrammeled permission given to every man to get all he can regardless of to what extent the state or other individuals may be hurt by his so doing. In the days before machinery, the great land owners might have exploited the people with some reasonable safety and justice—I am not sure. But today it has been demonstrated that this cannot be done. Hitler has put justice to all before the people as the first duty of the state and of the German citizen. He wants the individual effort of the citizen to be the impulses of the state, but with laws for the guidance and safety of all so that none will be hurt by these individual efforts. He is accomplishing this. He has reached his present position through the free votes of the people in the most democratic way. He does not want to be a dictator through force of arms.

"Because of the international character of Jews and Roman Catholics, the Jews and Roman Catholics have been a domestic problem throughout history in many states, as you of course know. This is sometimes not appreciated or is forgotten by countries where these problems are not for the moment immediate. In Germany they have been very great."

F. "But Germany's treatment of the Jews is resented greatly by many countries; especially is there resentment in the United States. How many have you in Germany, 500,000?"

S. "Yes."

F. "Have you not, therefore, by your treatment of them made 500,000 martyrs?"

S. "I never was in favor of our treatment of the Jews, but the new laws announced at Nurnberg give protection to the Jews. They are now guaranteed the same rights as any other minority within Germany, such as Poland, for example."

F. "But they are denied the rights of citizenship."

S. "Yes."

F. "And their positions by these laws is an inferior one to the Germans?"

S. "Yes, that must always be. I called Mr. Warburg in to see me the other day and explained to him the protection Germany now guarantees to Jews; they can engage in their businesses from now on, and they can go about their business and will have proper governmental protection. I told Mr. Warburg to have his people stop making a noise and accept this protection."

F. "But if he can't stop them from making a noise and the Jewish people do not accept the inferior position given them in Germany with equanimity, what then?"

S. (Dr. Schacht made a wry face and shrugged his shoulders) "I don't know what may happen then."

F. "These restrictive laws refusing citizenship apply to the 100 percent Jews. What about the 50 percent and 25 percent Jews?"

S. "They will be gradually eliminated because of the law against intermarriage with gentiles or extra marital relations with gentiles."

F. "Your economic situation appears to me to have some serious aspects to it."

S. "Undoubtedly. But we have reduced unemployment: by government work, I'll admit. We have been and are employing many in the manufacture of munitions."

F. "You can't continue making munitions indefinitely unless they are consumed."

S. "That is true."

F. "Food prices are high and rising in Germany."

S. "That is true. Of course, we have internal problems because we can't get sufficient raw materials. We haven't foreign exchange; therefore, Mr. Fuller, we must create a German world of the mark wherein we can produce our necessary raw materials; we cannot be so dependent upon others as we are now for our necessary raw materials. We must create a German world of the mark wherein the mark will purchase them and wherein our excess population can find satisfactory work. We intend to do this. We must have colonies."

F. "Can you get them through negotiation?"

S. "We have already had preliminary talks with Great Britain and France, but no formal negotiations as yet."

F. "When you have produced all the munitions you require, what will become of those thrown out of employment thereby?"

S. "Our colonies."

F. "You mean you will send them to the colonies?"

S. "Yes."

F. "But suppose you cannot get such territory through negotiation?"

S. "Colonies are necessary to Germany. We shall get them through negotiation if possible; but if not, we shall take them."

F. "You mentioned a little while ago that your necessary raw materials could not be obtained through German lack of foreign exchange. Would stabilization help you?"

S. (Dr. Schacht's face lighted up) "Ah, stabilization! Of course, it would. I am in favor of stabilization. Germany wants it greatly, but England opposes it. She won't have it."

F. "Why does England oppose stabilization?"

S. "To squeeze Americans for one thing; to give England cheaper money for another. I believe all others want stabilization. You want it. Forgive me for advising you, but I would suggest, if the United States wants stabilization, that they let Leon Frazier and Jimmy Perkins, or Leon Frazier and anyone else, go to the Bank of England and start negotiations. Leon Frazier has the confidence of Germany, France, and England."

F. "You mean the confidence of the financial people."

S. "Exactly. You don't mind my giving you this advice?"

F. "Not at all. Say anything you wish."

S. "Leon Frazier has the confidence of all in Europe. That is a great deal to say of one man; and he is most effective."

F. "You think that stabilization could be accomplished easier then if negotiations were started with the Bank of England than with the English Government?"

S. "Yes. The English Government will follow the lead of the Bank of England. If an attempt is made to get stabilization, I assure you Germany will do her cooperative part. Germany wants to pay her debts; she will pay them as soon as a stabilized exchange is reached."

F. "Can stabilization really be negotiated now with the European situation as it is: I mean with the Italian-Abyssinian dispute in the state that it is in?"

S. "Perhaps not concluded, but negotiations can be begun. Get Leon Frazier and any other good man."

F. "Can you hold the German mark where it is?"

S. "Yes: because we control our exchanges."

F. "Can you hold the mark regardless of what the other gold countries may do, even if Holland and/or France go off the gold standard?"

S. "Yes."

F. "For how long?"

S. "Indefinitely."

F. "By that you mean until you have worked out your present domestic problems, both agricultural and industrial?"

S. "Yes, until we have completed a German world of the mark where our raw material necessities can be produced and our excess workmen can be employed: a German world of the mark."

F. "Some foreigners feel that you are in danger of falling from power. They note the battle between Goebbels and Streicher on the one hand, and you and the army on the other."

S. "The army is the Leader's."

F. "Yes, I understand; but—"

S. "I will not fall. To maintain oneself in power, one always must be conservative."

F. "And you are conservative?"

S. "I am conservative, and the army is always conservative."

F. "Where will Hitler stand? Will he stand with the army?"

S. "Without a doubt."

F. "Will the army be with him?"

S. "Without a doubt. (Dr. Schacht spoke very forcefully and earnestly) Hitler is necessary to the German people. The German people are 95 percent for Hitler. They may disagree as to the regime which surrounds him, but they want and need Hitler."

F. "To repeat, does the army really want him?"

S. "Without a doubt. Hitler is a necessity to them and to Germany."

F. "Is Hitler turning toward the conservative side?"

S. "Without a doubt. A statesman must be conservative to stay in power."

F. "Nurnberg (meaning the annual meeting of the Nazi party in Nurnberg, just completed) looked like a turn to the left."

S. "Oh, No—! (spoken tragically).

F. "But what about the radical speeches at Nurnberg spoken by Hitler?"

S. "In front of 500,000 people one must always talk radically; must always give the mass something new. One cannot say to a mass: 'Be quiet; be careful; save money, and all will be right.' Have no fear of Hitler. He knows well how to play that piano."

F. "What of this conversation do you wish me to tell the President?"

S. "Everything. You can tell the President everything I have said."

F. "Is there any other message you wish me to give to the President?"

S. "Yes." (enthusiastically) "I want that treaty renewed with the most favored nation clause in it."

F. "But I understood that you did not want the most favored nation clause in it."

S. "Didn't I? Perhaps I didn't, though I seem to remember something of the kind. I will look it up and write you a note. Where will you be tomorrow?"

F. "I am leaving for London tonight."

S. "Will you give me your address?"

F. "The Langham Hotel, London."

S. "I want that treaty very much, Mr. Fuller, please tell your President that I want it very much. It expires October 13th. It will not do for us to be without a treaty if it can possibly be avoided. I have sent two men to America now to see if our two countries cannot trade together. If their preliminary reports to me show a chance for our two peoples to really do something together, I myself, will gladly go to America if it is necessary."

COPY OF DOCUMENT EC-451

AFFIDAVIT OF GEORGE S. MESSERSMITH.

District of Columbia } ss
United States of America }

George S. Messersmith, being first duly sworn, deposes and says:

During the years 1930 to 1934, when I was American Consul General in Berlin, I knew Dr. Hjalmar Schacht very well. I had frequent contact with him. My official duties brought me into frequent contact with him as head of the Deutsche Reichsbank and as Minister of Commerce, and on such occasions and in numerous private conversations he discussed with me the aims and activities of the Hitler regime.

It must be stated in this connection that Dr. Schacht was a man of extraordinary capacities in the financial field and of extraordinary resourcefulness. He was, however, at the same time an extraordinarily egotistic and vain man. There is no doubt that he nourished the ambition of becoming president of Germany, and it was his hope in aiding the industrialists and financiers in Germany in bringing the Nazi Party into power that these elements, instead of the Nazis, would control in fact, and that he would be the President of Germany.

Dr. Schacht always attempted to play both sides of the fence. He told me, and I know he told both other American representatives in Berlin and various British representatives, that he disapproved of practically everything that the Nazis were doing. I recall on several occasions his saying, after the Nazi party came into power, that if the Nazis were not stopped, they were going to ruin Germany and the rest of the world with it. I recall distinctly that he emphasized to me that the Nazis were inevitably going to plunge Europe into war.

While making these protestations, he nevertheless showed by his acts that he was thoroughly an instrument of the whole Nazi program and ambitions and that he was lending all his extraordinary knowledge and resourcefulness towards the accomplishment of that program. It was his financial ability that enabled the Nazi regime in the early days to find the financial basis for the tremendous armament program and which made it possible to carry it through. If it had not been for his efforts, and this is not a personal observation of mine only but I believe was shared and is shared by every observer at the time, the Nazi regime would have been unable to maintain itself in power and to establish its control over Germany, much less to create the enormous war machine which was necessary for its objectives in Europe and later throughout the world.

The increased industrial activity in Germany incident to rearmament made great imports of raw materials necessary while at the same time exports were decreasing. Yet by Schacht's resourcefulness, his complete financial ruthlessness, and his absolute cynicism, Schacht was able to maintain and to establish the situation for the Nazis. Unquestionably without this complete lending of his capacities to the Nazi Government and all of its ambitions, it would have been impossible for Hitler and the Nazis to develop an armed force sufficient to permit Germany to launch an aggressive war.

In my opinion Schacht was in no sense a captive of the Nazis. He was not compelled to devote his time and his capacities to their interest. His situation was such that he would most likely have been able either to work on a much less restrained scale or to abstain from activity entirely. He continued to lend his services to the Nazi government out of opportunism.

/s/ G.S. Messersmith

Subscribed and sworn to before me, A Notary Public, James S. Regan, in Washington, D. C., this 15th day of November, 1945.

TRANSLATION OF DOCUMENT EC-453

21.9.43
Vienna Place 5

Reichleader SS Heinrich Himmler
Berlin

Dear Reichleader:

I thank you very much for your kind letter of the 14th of this month with which you made me very happy. At the same time I am enclosing a list with the total amount of funds made available to you by your circle of friends and totaling Rmk 1,000,000. We are very glad indeed to render some assistance to you in your special tasks and to be able to provide some small relief for you in your still further extended sphere of duties.

Wishing you, dear Reichsleader, the best of luck I remain in old loyalty and esteem

Heil Hitler
Yours very truly
[signature illegible]
SS Brigadeleader

Contributions to special account "S" in the year 1943.

by Herrn Dr. R. Bingel of/Siemens-Schuckertwerke A.G.	100.000.—
by Herrn Dr. Buetefisch & Herrn Geh. Rat Schmitz of/J. G. Farbenindustrie A.G.	100.000.—
by Herrn Dr. Friedr. Flick of/Mitteldeutsche Stahlwerke G.m.b.H.	100.000.—
by Herrn Ritter von Halt of/Deutsche Bank, Berlin	75.000.—
by Herrn Ewald Hecker of/Ilseder Huette	25.000.—
by Herrn Staatsrat Helfferich of/Deutsch Amerikanische Petroleum-Ges.	10.000.—
by Herrn Staatsrat Lindemann of/Deutsch Amerikanische Petroleum-Ges.	10.000.—
and myself	4.000.—
by Herrn Dr. Kaselowsky of/Fa. Dr. August Oetker, Bielefeld	40.000.—
by Herrn Dr. Alfred Olscher of/Reichs Kredit-Gesellschaft A.G.	30.000.—
by Herrn Prof. Dr. Meyer & Herrn Dr. Rasche of/Dresdner Bank, Berlin	50.000.—
by Herrn Staatsrat Reinhart of/Commerz & Privatbank A.G. Berlin	50.000.—
by Herrn Gen. Dir. Roehnert of/Rheinmetall Borsig A.G.	50.000.—
by Hermann Goering Werke	30.000.—
by Herrn Dr. Voss of/Hermann Goering Werke	30.000.—
by Herrn Gen. Dir. Roesterg of/Wintershall Akt. Ges.	100.000.—
by Herrn Fregattenkapitaen Otto Steinbrinck of/Vereinigte Stahlwerke A.G.	100.000.—

by Herrn Kurt Frhr. v. Schroeder

of/Braunkohle/Benzin A.G.	100.000.—
of/Felton & Guilleaume Carlwerk A.G.	25.000.—
of/Mix & Cenest A.G.	5.000.—
of/C. Lorenz A.G.	20.000.—
of/Gewerkschaft Preussen	30.000.—
interest and myself	16.000.—
	RM 1.100.000.—

TRANSLATION OF DOCUMENT EC-454

27 August 1943
Wiener Platz 5. Berlin.

Reichsfuehrer-SS Heinrich Himmler,

My very honorable Reichsfuehrer,

With great joy I learn of your appointment as Reichsminister of the Interior and take the liberty to extend my heartiest congratulations to you on assuming your new post.

A strong hand is now very necessary in the operation of this department and it is universally welcomed but especially by your friends that it was you who were chosen for this by the Fuehrer. Please be assured that we will always do everything in our power at all times to assist you in every possible way.

I am pleased to inform you at this opportunity that your circle of friends has again placed at your disposal this year a sum slightly in excess of RM 1 million for "special purposes". An exact list showing the name of the contributors will be sent to you shortly.

Again all my best wishes—as well as those of my family—I remain yours, in old loyalty and esteem.

Heil Hitler!
Yours truly,
[signed] von Schroeder

TRANSLATION OF DOCUMENT EC-456

Reich Bank President (retired) Dr. Hjalmar Schacht
Berlin SW 111, 12 Nov. 1932.

Mr. Adolf Hitler,
Brown House, Brienner Strasse,
Munich.

Dear Mr. Hitler:

Permit me to congratulate you on the firm stand you took immediately after the election. I have no doubt that the present development of things can only lead to your becoming chancellor. It seems as if our attempt to collect a number of signatures from business circles for this purpose was not altogether in vain, although I believe that heavy industry will hardly participate, for it rightfully bears its name "heavy industry" on account of its indecisiveness.

I hope that in the next few days and weeks the slight difficulties which necessarily appear in the course of the propaganda campaign will not be so great as to provide the opponents with a reason for justified indignation. The stronger your internal position is the more dignified can be your fight. The more the cause develops in your favor, the more you can renounce personal attacks.

I am quite confident that the present system is certainly doomed to disintegration.

With German Greetings,

Yours very truly,
(signed) Hjalmar Schacht.

TRANSLATION OF DOCUMENT EC-457

The President of the Reichsbank (in retirement) Dr. Hjalmar Schacht

Guhlen Post Lindow (Mark),
29th August 1932.

Dear Herr Hitler,

May I hope, that you will allow me to use this form of addressing you, since the only purpose of my letter is to assure you of my unchanging sympathy in these times of great trials. I realize, that you are not in need of consolation. The rise to a total of 14 million votes cast for you, the perfidious counterblow by the other—theoretically stronger—side, and the loss of the votes of political profiteers, all these are things which could not seriously surprise you. But what you could perhaps do with in these days, is a word of most sincere sympathy. Your movement is carried internally by so strong a truth and necessity, that victory in one form or another cannot elude you for long. During the time of the rise of your movement you did not let yourself be led astray by false gods. I am firmly convinced, that now, when you are forced into a position of defence for a short time, you will likewise resist the temptation of an alliance with false idols. If you remain the man that you are, then success cannot elude you.

You know, that I do not intend to give you any tactical advice, since I admit absolutely to your superiority in this subject. But perhaps as an economist I may say this; if possible, do *not* put forward any detailed economic program. There is no such program on which 14 millions could agree. Economic policy, is not a factor for building up a party, but at best collects interest. Moreover, economic measures vary with time and circumstances. It merely depends on the *spirit* out of which they are born. Let this spirit be the deciding factor.

Wherever my work may take me to in the near future even if you should see me one day *within* the fortress—you can always count on me as your reliable assistant.

I felt the need of writing the above to you, as in our time so few understand, that everything depends on the inner strength.

With a vigorous "Heil",
(signed) Hjalmar Schacht.

CL / ACF.

COPY OF DOCUMENT EC-458

AFFIDAVIT OF MAJOR EDMUND TILLEY

Major Edmund Tilley, being duly sworn, deposes and says:

1. I am a major in the British Army and have been assigned to Field Information Agency, Technical. In my official capacity I had an interview with Dr. Hjalmar Schacht, former President of the Reichsbank and former Minister of Economics, on 9 July 1945, at an Internment Centre in the vicinity of Frankfurt.

2. During the course of the discussion Schacht stated to me that he had had numerous talks with Hitler from 1933 to 1937. Schacht stated that from these talks he had formed the impression that in order to make his hold and government secure the Fuehrer felt that he must present the German people with a military victory.

3. The above statement is based on my recollection of the conversation and also on my notes made contemporaneously.

[signed] Edmund Tilley
Major.

Sworn to before me this 21st day of November, 1945
[Witnessed] T. G. S. Combe
Major.

TRANSLATION OF DOCUMENT EC-460

FRANZ REUTER, "SCHACHT",
German Publishing Establishment [Deutsche Verlagsanstalt]
1937, Pages 113–114.

A strong personality, inspired with national German passion which indeed has to merge with the great movement, whose extraordinary abilities and experiences in turn mean a strengthening for others, he joins the national movement. By word and deed and through the effect of his personality on the inner circles and the people whom he is able to influence—and among them are the best of the nation—Schacht from now on becomes a conscious helper of the National Socialist movement and one of those, who take valuable part in its final victory. For him, who, by his struggle as the president of the Reichsbank, already belonged to the movement for a long time and who sacrificed for it his office by maintaining his principles, corresponding to those of the movement, his becoming a regular member certainly is only a question of secondary importance. By not doing so—at least, until the final assertion and victory of the party—he was able to assist it (the party) much better than he would have been able to do had he become an official party member.

PARTIAL COPY OF DOCUMENT EC-461

Ambassador Dodd's Diary 1933-1938, edited by William E. Dodd
Jr. and Martha Dodd with an introduction by Charles A. Beard.
Victor Gollancz Ltd., London, 1941.

[Pages 175-177] September 19, Wednesday: I called on Dr. Schacht, on request of our Secretary of State at 11 o'clock. He was very cordial. When we had greeted each other, I said very frankly that the relations of our two countries could hardly improve so long as everybody in the United States was convinced that Germany was making ready to precipitate another war. What good can I do in Berlin if all Germany is moving towards a world or European conflict? If I am to fail here, would it not be better to return home and stay? He was a little stunned and replied: "You must not retire; it would do harm". But what can one, of my way of thinking, do in a country where the atmosphere is so disagreeable?

He then said: "All the world is combining against us; everybody is attacking Germany and trying to boycott her". Yes I replied, but you know the way to stop such things is not to arm to the teeth. If you went to war and won, you would lose more than you could gain. Everybody would lose. When he declared that the Germans are not arming so intensively; I said: Last January and February Germany bought from American aircraft people $1,000,000 worth of high class war flying machinery and paid in gold. He looked embarrassed and was about to deny it, but as he saw I was going to produce a document, he said: "Yes, I suppose you know all about it, but we must arm".

He then acknowledged that the Hitler Party is absolutely committed to war, and the people, too, are ready and willing. Only a few government officials are aware of the dangers and are opposed. He concluded: "But we shall postpone it ten years. Then it may be we can avoid war".

I reminded him of his Bad Eilsen speech some two weeks ago and said: I agree with you about commercial and financial matters in the main. But why do you not, when you speak before the public, tell the German people they must abandon a war attitude? He replied: "I dare not say that. I can only speak on my special subjects."

How, then, can German people ever learn the real dangers of war if nobody ever presents that side of the question? He once more emphasized his opposition to war and added that he had used his influence with Hitler, "a very great man", he interjected, to prevent war. I said: The German papers printed what I said at Bremen about commercial relations between our countries, but not a word about the terrible effects and barbarism of war. He acknowledged that and talked very disapprovingly of the Propaganda Ministry which suppresses everything it dislikes. He added as I was leaving: "You know a party comes into office by propaganda and then cannot disavow it or stop it."

On my return to the Chancery, I left my car standing near the Brandenburger Tor and walked into the British Embassy on the Wilhelmstrasse. Sir Eric Phipps was in his office and I talked fifteen minutes about the accumulating evidence in our office of Germany's intense war activity. His consular officials seem not to have given him information we have received from ours, especially from Stuttgart and Munich. He pretended to be surprised when I gave him the facts about German purchases of aircraft from the United States in the last six months.

I also let him know that Schacht had acknowledged to me the war purposes of the Nazi party. My talk with Phipps was confidential and preparatory to future conversations with him if President Roosevelt tries again to bring American arms manufacture under government control. My hope was to enlist him in a move to persuade his government to set up an investigation like that of Senator Nye, now causing so much excitement in all countries. Although I knew England had protested against this exposure of the corrupt practices of its arms and manufacturers, I bluntly alluded to the good effects of the Nye exposures. He agreed, though he did not indicate a desire to say anything further. The arms manufacturers over the world are the cause of most of this trouble in Europe.

At 2.30 I went as guest of the Foreign Office to the Kroll Opera House to hear discussions of the great road work now going on in Germany. A number of Germans were present, as also the English and French Ambassadors. It turned out to be merely an occasion for Von Neurath to explain German foreign policy, "and peaceful purposes. The Fuehrer desires peace above all else". The idea was to explain Germany's attitude towards Russian admission to the League and the forthcoming plebiscite in the Saar Territory where the people are to decide January 11, I believe, whether they will return to the fatherland or remain under League of Nations rule.

All the members of the diplomatic corps were present and remained in their places until Von Neurath had finished. When the translator began to give English translations, the British and French Ambassadors retired. A little later the Italian and I left. We had had enough of it. Von Neurath was not bad, but no one believed his assertions about the peace purposes of the present regime.

* * * * * * *

[Pages 446-447] December 21, Tuesday: At a luncheon given us today as a farewell by Dr. Schacht, conversations were as free and critical as I have ever heard in Germany. Dr. Schacht's removal from his directorship of Economics Ministry may be taken as one cause. But the head of the International General Electric Company here as well as others from banks and industrial plants were even more outspoken. They were most fearful of the Hitler regime. One thing which worried the electric company chief was the order by Hitler to give up his great administrative building which represents a 10,000,000 mark investment for the company. The company is to be allowed only 6,000,000 marks. He said he told Hitler's official spokesman: "Then I will leave Germany and settle in eastern France". What Hitler said when told this was not stated, but it is clear enough that the electric man would be imprisoned if he tried to leave Germany.

Schacht spoke of the defeat of Germany in 1918 as wholly due to Woodrow Wilson's bringing America into the World War. But I said: Wilson's Fourteen Points were the one great promise of international peace and co-operation and every country on both sides had helped to defeat his purpose. Don't you think Wilson, fifty years from now, will be regarded as one of the greatest Presidents the United States has ever had? He evaded an answer but turned his attention to the Japanese-Chinese war and opposed Germany's alliance with Japan. Then he showed the true German attitude: "If the United States would stop the Japanese war and leave Germany to have her way in Europe, we would have world peace."

I did not comment and others also failed to make remarks. Schacht meant what the army chiefs of 1914 meant when they invaded Belgium, expecting to conquer France in six weeks: i.e., domination and annexation of neighbouring little countries, especially north and east. Much as he dislikes Hitler's dictatorship, he, as most other eminent Germans, wishes annexation—without war if possible, with war, if the United States will keep hands off. Much as I admire Schacht for some of his courageous acts, I am now afraid he would not make a good American if he migrated.

PARTIAL TRANSLATION OF DOCUMENT EC-465

The Commissar at the
Netherlands Bank
Amsterdam   The Hague, 9 December 1940

SECRET

Netherlands Bank, Money and Credit

Subject: Material for the November Report to the Fuehrer.
(Follows my October Report of 9 November 1940)

* * * * * * *

The reason for the great increase in the holdings of treasury bills is mainly the limited absorptive ability of the banks, which need more means for the increased money needs of the economy towards the end of the year, and therefore cannot renew the treasury bills falling due on the November-Ultimo and often even had to discount treasury bills which are not yet due at the note bank.

* * * * * * *

In detail, the gold account shows the following development:	Hfl.
Gold stock on 31.10.1940	1,113,134,559
Gold stock on 30.11.1940	1,098,123,471
Decrease	15,011,088
Deliveries to the Reichsbank on:	
19 November 1940	12,305,534
29 Novembert 1940	11,549,146
Total	23,854,680
Decrease	15,011,088
Increase through purchase on the basis of the call-up of foreign exchange	8,843,592

Along with the gold transports mentioned above, a total of 2,000,000 and swfrs 100,000 in notes was delivered to the Reichsbank.

The equivalent of the gold delivered to the Reichsbank appears on the account "Various items" [Verschiedene Rechnungen]. This account also takes up the Reichsbank notes and coins exchanged into gulden by the Netherlands Bank (amount on 30 November 1940: about 6 million gulden). These two procedures account for most of the increase in the account "Various items".

During the whole period of this report the Finance Minister made use of the maximum permissible credit of 15 million gulden.

Total deliveries of gold and foreign exchange to the Reichsbank on the basis of the directions of the Reich Marshal were, in the months of October and November, about hfl. 49,400,000 gold, 3,000,000 in notes, swfrs. 100,000.

The total equivalent value is about 74 million Reichsmarks. Since over 80,000 individual reports of gold have been made, the delivery to the Netherlands Bank has made a deep impression on Netherlands public opinion.

* * * * * * *

D. Capital market and Amsterdam Bourse.

The unusual increase in the securities market quotations at the beginning of the month of this report, is not exclusively due to the liquid nature of the money market, but rather just as much and perhaps mainly to the possibilities of transfer from the Reich created by Circular [Runderlass] No. 89/40 of the Reich Economics Minister. In the first week of this report the quotations in all sections attained the highest point of the year. The German banks appeared as purchasers in a great extent, giving orders for almost all securities, partly for their own and partly of customers' account. The German securities were forced up within a few days to 85-90% of the German market values. However, trade in German securities was made impossible with one blow by the publication of the order of the General Secretary in the Ministry for Finance on Netherlands capital invested in the German Reich. The order, which went back to a suggestion from the German side, is intended to prevent simultaneous and immediate transfer of sums of Netherlands capital invested in Germany, which are estimated at 1.8 billion [milliard] RM. The order named foresees the establishment of a tax graduated according to time from the transfer of Reichsmark sums from the Reich. It thus also applies insofar as the 5,000 RM sums serve to purchase German securities on the Amsterdam bourse. The tax, to be established by 31 December 1941, amounts to 70% of the income attained by securities purchases. The result was that on 6 November of this year the quoting of German securities was stopped and could not be resumed up to the end of the month. This situation caused great disappointments in broad circles, since the German securities frequently find themselves in the hands of German-friendly persons, particularly after the redistribution resulting in the last months. It is however to be hoped that it will be possible for the Bourse council [Boersenvorstand] to again make trade in German securities between persons considered native under foreign exchange laws, by properly utilizing the order mentioned.

In the period from June to October the German Golddiskontbank, acting through several German-friendly banking institutions, appeared as practically the only purchaser for these German securities, since the Reich Economics Ministry had given no permits to the German banks for purchase of German securities in Amsterdam. The securities purchased served for amortization of the obligations of the Konversionskasse. The large profits in Reichsmarks went towards the public interests of the Reich, as has been usual for many years, particularly for export subsidization. About hlf. 30 mill. was utilized for this purpose in the period named, and was transferred through the clearing account. The purchases of the German Golddiskontbank were carried out according to plan, and led at first to an increase in the quotation, which then maintained itself at a certain level. The German Reichsbank expressed the wish after cessation of quotation that the German Golddiskontbank be placed in its earlier position as sole purchaser through freeing it from the Sperrmark tax for German securities to be acquired by it.

The excitement arising at the time of the publication of the Sperrmark Tax Order (Blocked Mark Tax Order) only was calmed after the Netherlands Finance Ministry had exempted business closed before the 7 November from the tax. The insecurity caused by the order continues temporarily in broad circles, despite the explanation by the Bourse council. Only in the last few days have a few quotations come into being, which lay significantly below the last quotation made four weeks ago. Thus the Farben shares were quoted at 200 on 5 November, at 155 gulden on 2 December.

* * * * * * *

E. Payments traffic with Germany.

Through Circular No. 89/40 of the Reich Economics Ministry certain relaxations of payments traffic with Germany have been undertaken. The transfer possibility without permission of RM 5,000 per person per month was mainly used by the banks undertaking securities purchases on the Amsterdam Bourse for their customers. As was indicated under D, the purchase of German securities was made impossible by the blocked mark tax order mentioned there. On the other hand, Netherlands, Indies and American securities were purchased in large amounts. Some idea of the amount of these purchases is given by the balances of the special transfer account and the clearing account. These showed on 30 November of this year a balance of 27 mill. gulden, equals about 36 mill. RM (on 31 October 19 million gulden, equals 25 million RM), and 192 mill. gulden, equals 255 mill. RM (on 31 October 152 mill. gulden, equals 202 mill RM). There is no doubt, that the securities purchases would have been carried through in even greater amounts, if the excessive quotations had not warned the banks to be cautious.

For each trip RM 1000 or hfl 750 may be carried along in cash means of payment in travelling. In order to facilitate the use of the imported Reichsmark means of payment, a notice was published in which the business world was required to accept Reichsmark means of payment. At the same time the banks have been instructed through the Netherlands Bank, to undertake the exchange of funds from travelling into gulden currency at the fixed rate of exchange.

Although travel is under strict limitations, up to 30 November Reichsmark means of payment equivalent to about 6 mill. gulden equals about 8 million RM have been delivered to the Netherlands

Bank. It is obvious, that this high amount cannot originate solely from travellers. Rather, it was determined that large Reichsmark amounts are given or exchanged in the Netherlands for goods purchases, coming from the other occupied areas, particularly from Belgium. Furthermore it may be assumed with assurance that Reichsbank notes which were formerly imported illgeally into the Netherlands have now come into circulation. Finally, as is known to me from various reports, the tax order of the Netherlands Finance Ministry is gotten around by Dutch persons bringing part of their property invested in Germany to the Netherlands by using the free limit granted for travel.

The military commander in the Netherlands has regulated payment traffic of members of the armed forces according to the provisions of the Circular No. 89/40, by an Order of the Day No. 31 of 3 December. According to this, every member of the armed forces is also allowed to bring with him RM 1,000 or the equivalent in Gulden on crossing the border. Furthermore, members of the armed forces may have RM 1,000 a month transmitted to them through the field postal service every month.

The results of the solution undertaken by Circular 89/40 are the following, in brief:

The fundamental idea of Circular 89/40, to free the transfer of Netherlands capital invested in Germany from the licensing requirement, is not attained by the Blocked Mark Tax Order mentioned above. The sense of this order is to avoid an immediate recall of the Netherlands capital invested in Germany to the homeland, i.e. to avoid too quick an economic "depenetration." It was an expressed German interest, therefore, which gave the impetus to the blocked mark tax order. The Dutch, who are not informed of these circumstances, often think that the blocked mark tax order is intended to protect their monetary policy interests. This idea is however false, and is contradicted above all by the possibility of transferring RM 5,000 per month per person, without permission, created by the circular.

The blocked mark tax order results in Dutch claims in Germany being traded here with a certain discount. Thus, while in Germany all types of blocked marks are eliminated for Netherlands capital by the creation of free investment possibilities, trade in so-called blocked marks continues as before on the Amsterdam Bourse. The quotation on 30 November fluctuated between 43 and 45 Gulden for 100 Reichsmarks. Since these blocked marks can also be used for travelling, the rate for the Registered Mark has sunk in the course of the month from about 70 to 58 to

60 Gulden for 100 Reichsmarks. At present negotiations are in progress in order to again exclude use of the "blocked trade mark" [Handelssperrmark] for travel, to favor the Registered Mark. In this way the standstill creditors would have assured the preferential utilization of Registered Marks for travel purposes. The "blocked trade mark" is purchased by local banks from Dutch persons who possess Reichsmark claims in Germany and sell them to avoid the tax. That Reich Germans can also procure such blocked trade marks within the framework of the 5,000 mark limit is an undesirable by-product.

F. Foreign exchange control

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One question in creating a counterpart to Circular 89/40 is still open. The use of the sums transferred from the Reich to the Netherlands is bound to a foreign exchange permit on the Netherlands side. The draft prepared by me of a Foreign Exchange Proclamation, according to which our transactions requiring license could be undertaken without licenses, if they are in favor of persons resident in the area of the German Reich, and are permissible without license according to German regulations, was not accepted by the Netherlands side, with the remark that the draft in this general form would be equivalent to the removal of the foreign exchange frontier.

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The draft of the new foreign exchange law will shortly be agreed on in Berlin with the Four Year Plan, the Reich Economics Ministry, the Reich Finance Ministry, and the Reichsbank. On the Netherlands side the wish has been expressed that the new foreign exchange law not be published before the 1 January 1941.

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J. Banks in connection with the administration of enemy property.

The order on the handling of enemy property has made it necessary that all enemy property to be found at the banks be placed under a unified trustee administration. This administration is given over here to the Deutsche Revisions und Treuhand AG. Insofar as the capital of individual banks is wholly or mainly in the hands of enemy nationals, I have proposed the setting up of administrators to the Commissar for Finance and Economics. Of the more important banks, only two would require consideration of setting up a man of confidence.

K. Status of aryanization of the banks.

The Jewish element is very little represented within the 25 leading banks. There are only a large number of Jews in brokerage and agent circles on the Amsterdam Bourse. For a long time already I have worked through open conversation with the participating banks so that the Jewish partners and employees are separated. Apart from the brokerage and agent firms mentioned above, the de-Jewing had been completely carried out as early as the end of the month of this report. Negotiations on taking over the firms Warburg & Co., Lippmann Rosenthal & Co. and Hugo Kaufmanns Bank have begun and are in part ready for conclusion.

Signed: Wohlthat.

PARTIAL TRANSLATION OF DOCUMENT EC-468

The Commissar at the Netherlands Bank
Amsterdam

The Hague 10 February 1941
Netherlands Bank,
Money and Credit

Subject: Material for the January Report to the Fuehrer
(Follows my December Report of 8 January)

* * * * * * *

* * * the gold stock decreased by 3 million gulden, to 1,099 million, of which only 212 million is located in the Netherlands. The decrease in gold is caused by a gold shipment to the German Reichsbank, undertaken in the middle of January and amounting to 5.3 mill. gulden; the difference between the decrease in gold and the actual amount of gold shipped, 2.3 million gulden, represents the value of the gold purchases made in the first half of the month.

The above-mentioned increase in the item "Other Assets" is exclusively caused by the taking up of internal German currency and the purchase of foreign values which are required to be surrendered [ablieferungspflichtig] (gold and banknotes). These values are transmitted from time to time to the Reichsbank, which reimburses the Netherlands Bank for the equivalent through the German-Netherlands clearing agreement. In the interests of avoiding an increase in the clearing balance through such transfers, which are to be dealt with in detail in Part E of this report, the Netherlands Bank has decided to allow the equivalent transferred by the Reichsbank to remain at the Clearing Institute as a deposit [Forderung]. This deposit amounted at the end of January 1941 to 51.8 million gulden, and appears in this amount under "Other Assets." Another important item included under "Other Assets" is the "Deposits Abroad," amounting to 31.5 mill. gulden. This amount represents mainly the deposit kept by the Netherlands Bank at the Reichsbank on the Special Transfer Account, which was created on the basis of agreement between the two Note Bank Presidents for the purpose of procurement of participations in Holland by German parties. At the end of 1940 the Netherlands Bank had already decided to invest a part of the deposit on the Special Transfer Account (then totalling 20 Million RM) in German Reich Treasury Certificates, which are booked as assets at their equivalent value of 15 million gulden under "Foreign Bills."

* * * * * * *

The monthly development of the floating debt and the direct and indirect occupation costs, as well as the volume of issue of treasury certificates is shown in the following table:

[In million gulden]

				Treasury certificates issued and held by	
	Floating debt	Direct and indirect occ. costs	Total treas. certif.	Private banks and public	Netherlands Bank
Amount on 15.5.40	504	0	384	384	0
Increase in period from:					
15.5-15.6	72	1	63	47	16
15.6-15.7	144	80	135	81	54
15.7-15.8	123	41	195	123	28
15.8-15.9	148	118	153	118	35
15.9-15.10	152	134	155	110	45
15.10-15.11	145	135	123	93	30
15.11-15.12	120	133	152	93	59
15.12-15.1 1941	15	107	75	60	15
15.1-31.1	54	50	—207	—189	—22
Amount on 31.1.1941	1,477	809	1,128	920	204

At the end of January there was success in converting a part of the floating debt, which more or less equals the direct occupation costs (Credit of the Military Commander and Civil Administration) into a 10 year 4% state loan. The State Loan opened for subscription on 29 January 1941, for 500 mill. gulden, had complete success. If no great changes in the political situation and in the Netherlands administration appear, it may be assumed that it will be possible in the future also to consolidate in long-term loans the part of the floating debt which results from the direct occupation costs and is financed temporarily with short-term paper. Furthermore another prerequisite for this financing of the occupation costs is the preservation and employment of the Netherlands agriculture and industry, since shipping, overseas trade and capital income from foreign investments will not be sources of national income in the immediate future. Concerning the relation of the clearing balance to the floating debt and the monetary repercussions resulting from this burden of the state credit, see Part E, below.

* * * * * * *

E. Economic and monetary results of the regulations established by Circular 89/40 and the Blocked Mark Tax Order. Decisions of

The Reich Finance Minister and the Reich Economics Minister in the ministerial conversations of 23 October 1940 (See protocol of meeting of the Reich Economics Ministry) on facilitating payments traffic between Germany and the Netherlands, which are codified in Circular 89/40 of the Reich Economics Minister, were made with the reservation that in case the practical experience obtained in the course of several months did not confirm the practicability and desirability of the new regulations thus created, a reconsideration of the regulation on payments traffic would be undertaken. Today the monetary and fiscal repercussions of the above-named Circular may be reviewed for a period of about three months. They are, if I may be permitted to prematurely state my conclusion, in my opinion unfavorable and unbearable in the long run.

To give a general picture, I divide this material into the following groups:

I. The relaxations introduced by Circular 89/40 and their economy effect in the payments and capital traffic.

II. The monetary and financial repercussion of these regulations.

III. The treatment of the Netherlands capital invested in Germany (Blocked Mark Tax Order).

I. The relaxations introduced by Circular 89/40 in the sphere of payments traffic may be divided into three parts:

a. Travel and Border trade.
b. Transfer of interest and capital incomes without permission.
c. Other relaxations of payments.

a. Travel and Border Trade.

In travelling, RM 1000 or fl. 750 may be taken along on each crossing of the border. This regulation is also valid for members of the Armed Forces, whether they cross the border individually or in closed formations. Prerequisites however, is that the end of the voyage lay in occupied Netherlands areas. In Small Border Trade, RM 100 or fl. 75 can be exported from Germany to the occupied Netherlands area daily, but only a maximum of RM 1,000 or fl. 750 per month. Furthermore Dutch workers employed in Germany can also carry with them RM 1,000 or fl. 750 each time they cross the border.

In order to facilitate the use of internal German means of payment in the Netherlands, the Reichsbank Directorium has requested me to see that the Reichsmark means of payment are accepted in payment by all persons in the Netherlands. On my initiative [Veranlassung] the Netherlands Bank thereupon instructed all Netherlands financial institutions and public offices dealing with money to exchange without charge Reichsmark means of payment at the fixed rate of RM 133 equals 100 gulden. The Netherlands population has had its attention called to this possibility of exchange by a press release appearing in the newspapers on 1 November. It was also made public in the daily press that Reichsmark means of payments can be given in payment in business traffic. It is clear from various complaints coming to me that the businessmen agreed to this forced acceptance [Annhamezwang] only unwillingly, and that cases are continually reported of refusal to accept. I myself spoke against such a regulation at the time, since together with the Netherlands Bank I have made efforts since the beginning of the occupation to limit money circulation in the Netherlands economy as far as possible to the currency of the country. Only the Reichskreditkassen certificates are an exception, being legal means of payment and the monetary connecting link between the various occupied areas. Since the internal German means of payment are given over directly by the banks and businessmen to the Netherlands Bank, i.e. without having accomplished further acts of payment, for exchange into gulden, I do not see a practical purpose in the regulation permitting internal German means of payment to be used. Apart from this, it offers the possibility of violation of the Blocked Mark Tax Order, in that transfer of Netherlands capital from Germany is effected by cash withdrawals from the German banks and transportation of the means of payment to the Netherlands. Furthermore the internal German means of payment exchange into Gulden are used to purchase the so-called "Inland Marks", which at present are available at a rate of approximately 40 (Dutch) cents equal to 1 RM. The sums thus procured are withdrawn in cash in Germany and are brought to the Netherlands, where they can if desired be used again to purchase inland marks. The business, easy and profitable, has attained a continually increasing volume lately according to my observations, and it is practiced not only by Reich Germans, but has also expanded to a large extent to members of the Armed Forces. The purchase of Inland Marks is forbidden for the officials and employees subordinate to the Reichskommissar.

About RM 50.3 million, the equivalent of 37.8 million gulden, of internal German means of payment have been taken up by the Netherlands Bank from 1 November 1940 to 31 January 1941. This amount of internal German means of payment, appearing in the course of three months, seems unusually high. It results in a small part from normal travel, which as is known is subject to strict limitations on the German side. The main sources from which these means of payment originate, rather than travel, are the following:

1. The Reichsbank notes formerly exported illegally from Germany to the Netherlands and other foreign countries.
2. The cash transfers in violation of the Blocked Mark Tax Order, mentioned above.
3. Amounts taken along by members of the Armed Forces.

At present, without a doubt, the largest part of the internal German means of payment flows into the Netherlands through the Armed Forces. However, this concerns not only members of the Armed Forces who are permanently located in the Netherlands, but also troop units of the neighboring areas of Belgium and France, which, as is reported to me by the Netherlands Bank almost daily, undertake great purchases in the Netherlands against payment in internal German means of payment. Furthermore it has been determined statistically that in the Southern border region a flourishing exchange of internal German means of payment into gulden and Belgium or French francs takes place. Thus results large loopholes in the payment regulations for the Armed Forces in the occupied Western Areas, as the Military

Commander in France has informed me recently by telegraph. The Reich Minister has already, I am told, addressed to the Supreme Military Command (OKW) the request for participation in a reexamination of the payment relaxations valid in the Netherlands, with the aim of restoring the old payment regulations. He points out that the motives which have led to the relaxation of payments traffic in the civilian sector, above all the intended closer inter-penetration of the German and Netherlands economies, do not apply to the Armed Forces, and that the relaxations created lead rather to an increase in buying out of the country and a strengthening of the inflatory appearances in the Netherlands which are not desired by us. I agree completely with this statement even though the buying out of the Netherlands has already come to the final stage in the Netherlands as a result of the above-mentioned relaxations.

b. Transfer of interest and capital income without permission.

The transfer of interest and capital income without permission is a desirable relaxation of payments traffic, as compared to the administration utilized prior to the promulgation of Circular 89/40. I propose continuation of this regulation on the condition that the conversion now being undertaken will considerably reduce the amount to be transferred from Germany to Holland. Furthermore the Netherlands capital owner will see in full transfer of interest an incentive to leave his capital in Germany.

c. Other relaxation of payments.

According to Circular 89/40 Germans can transfer up to RM 5,000 per person per month without licenses for all types of payments, with the exception of those for procurement of goods and for insurance traffic. On the basis of the experience previously obtained, it may be said that this possibility is mainly used to purchase Dutch securities. Furthermore requests for transfers of higher sums can be treated generously if economically justified. Within the framework of these regulations the Reich Economics Ministry grants a large number of German banks current permission to procure Dutch securities on the Amsterdam Bourse. The chief thought on the German side is to bring on thus as extensive a penetration of the German and Netherlands economies as possible. I do not consider such purchases by German banks, the majority of which are made without discrimination, as a significant contribution to the desired aim, even if the utilization of the voting rights for the shares purchased is concentrated in one hand. Apart from the risks inherent in purchase of securities on the Amsterdam Bourse at this time, it must not be forgotten that the unfavorable monetary repercussions of the transfer regulation which is at present valid are in no proportion to the expected advantages for Germany. The procurement of genuine participations which results through mutual negotiations and for which special provisions are made concerning payment by the Special Transfer Agreement between the Reichsbank and the Netherlands Bank, are completely in contrast to this type of purchases. The taking over of such participations thus has a contractual character. The securities purchases mentioned above, on the other hand, are accepted by the Dutch only with unwillingness(Widerstreben), in connection with which it may be pointed out with some justification that an out-payment of gulden made against a Reichsmark credit, which can only result through burdening of the Netherlands State credit, represents no genuine transfer.

II. The monetary and financial repercussions of these regulations.

The internal German means of payment flowing in in travel and border trade, are exchanged by the Netherlands banks into currency of the country, and then go by the shortest route to the Note Bank, which as the last exchange agency makes available the Gulden equivalent. As mentioned above, the Netherlands Bank took up 37.8 million gulden of internal German means of payment up to 31.1.1941. From time to time it gives over the stocks accumulated by it to the Reichsbank, which transmits the equivalent through the German-Netherlands clearing. The amounts mentioned under I *b* (Transfers within the 5,000 RM limit and provisions of the value of securities purchases) are also provided through the German-Netherlands clearing. This showed a continually increasing German debt, which amounted on 20 January 1941 to 319 mill. gulden. It is to be considered in connection with this that the clearing balance is in reality much greater, since a large part of the German in-payments which have already been effected, which result from capital, goods and services traffic, have not been converted yet by the Clearing Institute. Since 1 November 1940 the German in-payments have increased considerably. They amounted on the average for November and December to 94 million gulden per month, while for August, September and October they had averaged 75 million gulden. The debit balance which amounted to an average of 40 million gulden for the latter three months, rose to an average of 47 million gulden for November and December 1940. It must be assumed with certainty that the increased in-payments result from the regulations made in Circular 89/40.

In order to make it possible to pay the Netherlands creditors, the Finance Minister had to advance the above-mentioned clearing balance of 319 mill. gulden. Up to 31 January 1941 he has made advances of about 131 mill. gulden. In addition up to the time named he has made available considerable additional funds for the direct and indirect occupation costs, as I have detailed in Part B.

The development and constitution of the floating debt expresses the extent to which the occupation costs have burdened the state credit in general, and furthermore the important extent of the participation of the clearing advances in this. It is obvious that a further great increase in the clearing balance will burden the state credit so heavily that the provision of the direct occupation costs may become a difficult problem. According to previous experience the occupation costs for the year 1941 must be estimated at about one billion [millard] gulden. The occupation costs in themselves create inflationary conditions, which are unavoidable, however, and must be accepted as part of the general situation. However, it can be expected that a cautious tax and financial policy will prevent them from causing damaging monetary repercussions to an extent which substantially decreases the value of the Gulden. I explained in Part B, above, that it was possible to cover a part of the floating debt on a long-term basis, which part is approximately equivalent to the direct occupation costs up to the end of June 1941. This should also be possible in the future under the conditions mentioned. On the other hand, the condition of the capital market will not permit the clearing advances to also be consolidated, particularly since the clearing debt will experience an important increase in the near future as a result of the goods traffic. According to a reliable estimate, in January 1941 contracts placed by German sources with Dutch enterprises will be executed in an amount of about one billion [milliard] gulden. The raw materials required for this will be delivered from Germany, the proportion of the costs arising in the Netherlands, estimated at 500 million gulden, will burden the clearing however, and thus necessarily the floating debt of the State.

In consideration of this development it must be demanded, in the German interests, that avoidable burdens be avoided, such as those resulting from the regulations of Circular 89/40, as described in Part I, since otherwise there arises the danger that the value of the Gulden will decline more than is necessary. Various reasons make it appear highly desirable, in connection with this, that the value of the Gulden be retained as unimpaired as possible up to the conclusion of the peace, since the Dutch Gulden is not only an economic, but also to a great extent a political factor, both internally and abroad. Internally, the Dutchman judges the degree of his independence by his independent currency. He will accept the burdening of the currency which is unavoidable as a result of the war, in consideration of the gold reserve and foreign investments which will again return to the Netherlands at the conclusion of the peace. In foreign policy the gulden plays a great role, through the extensive capital investments of the Netherlands in almost all important countries of the world. Furthermore it represents an important unifying factor between the mother country and the colonies, in which the Gulden also exists as an independent unit of currency. The internal value of the Netherlands Indies Gulden will probably have increased considerably at the conclusion of the peace, in comparison with the Pound Sterling and the US Dollar, as a result of the active balance of payments of this, the richest colonial area of the world. If the independence of the Gulden is placed in question, or is decreased, the Netherlands colonial area will consider this a sign of loss of the political and economic independence of its motherland. As a result there appears the danger that the Netherlands Indies will completely estrange itself from or even declare its independence of the mother country even during the course of the war. Since, however, it does not dispose of the necessary strength to make itself independent, it is to be feared that it will try to come closer to a first rate power—the most likely would be the United States. The latter depends to a great degree on the import of tin, rubber, palm oil, and quinine from the Netherlands Indies. If it is possible to retain the Netherlands Indies for Europe through the agency of the mother country, it would be possible, for example, as a result of the extraordinary wealth in natural resources to cover the whole European import needs for North American raw materials such as cotton out of the proceeds of sale of its products. Europe itself can create in the Netherlands Indies an important sales market for its finished products, while still leaving Japan a large market and corresponding procurement possibilities, and expand this market insofar as it is possible to develop the colonial economy in a planned manner on the basis of the European requirements.

Finally, the maintenance of the Gulden is necessary in the German interests for the period after the war, in order to maintain the claims on several billion (milliard) Gulden of foreign investments, and thus to assure means of payment for the procurement of foodstuffs and raw materials for the European consumption.

III. The treatment of Netherlands Capital invested in Germany (Blocked Mark Tax Order)

While Circular 89/40 permits the transfer of interest and capital income of Netherlands capital invested in Germany, without licenses (see my explanation under I *b*), it binds the transfer of capital sums to a permit, which, however, is granted on the German side without any further formalities. However, in order to prevent that, on the one hand, a large part of the Netherlands capital in Germany, estimated at a total of 1.8 billion [Milliard] RM, flows to the homeland and thus causes an economic de-penetration, on the other hand that inflation results in the Netherlands through the transfer of large capital sums, the Netherlands Finance Ministry issued the so-called "Blocked Mark Tax Order" order of the General Secretary in the Ministry for Finance, on the Netherlands Capital Invested in the German Reich, of 8 October 1940), on the instigation [Veranlassung] of the General Commissar for Finance and Economics. This order provides the setting up of a tax for a period of four years, which amounts to 70% up to 31.12.1941, and decreases by graduated amounts to 20% by the year 1944. The order results in practice in transfers being completely eliminated. Apart from this event, which is in the German as well as Dutch interests, the Blocked Mark Tax Order, however, resulted in great disadvantages. At first trade in German securities was completely suppressed. Since the tax falls on the object, every Dutch holder refused to sell the securities, since he does not know whether the purchaser of the security is procuring directly or indirectly for German account. Since the entry into effect of the Blocked Mark Tax Order, therefore, the quotation of securities on the Amsterdam Bourse has ceased de facto. Thus naturally there results disadvantageous developments, for the holder of German securities as well as for the bourse business which have led to expressions in public as well as in banking circles of a lively character reducing the German reputation. Apart from this, however, the taking up of orderly trading is greatly to be desired in consideration of the conversion of German securities bearing fixed interest rates which is now in progress. The possessor of such securities will probably only be inclined to exchange them for securities bearing lower interest rates if the prerequisites for valorization on a securities exchange are created. Otherwise he will prefer to make no use of the conversion process and let himself be paid out the nominal value. The equivalent will not be transferred, to be sure, but will be made available in Germany. Such Reichsmark sums can however be sold by the possessor in the Netherlands at the inland mark rate, and he would thus receive at present about 40 cents for the Reichsmark, while under present conditions he has no possibility of liquidating the converted German shares. In order to try to find a way out of this situation. I have taken up discussions with the responsible Netherlands agencies to permit the German Golddiskontbank to be the sole purchaser of German securities on the Amsterdam Bourse, as in the past, and to except the Reichsmark sums to be transferred for this from the Blocked Mark Tax Order. The other side pointed out, with justice, that transfer would then be carried through via this trade in securities, to get around the Blocked Mark Tax Order, since the possessor of Reichsmark claims would purchase securities on the German stock exchanges in order to sell them in Amsterdam to the German Golddiskontbank. In this manner the German Golddiskontbank would have to transfer large sums of Reichsmarks through the clearing if it desired to keep the quotations of German securities at a fixed height. Thus there would result a further increase in the floating debt.

Since the Blocked Marx Tax Order practically does not permit transfer, two methods of getting around it have been developed, of which one is illegal, the other cannot be challenged on legal grounds. The illegal method consists of Dutchmen withdrawing part of their deposits in Germany in cash, and having them brought to the Netherlands within the framework of the permissible travel maximum or in excess thereof. In addition there is available through the wage transfer method the possibility of illegal transfer. The legally irreproachable method consists of a Dutch person selling his Reichsmark claims against Gulden. The banks and other money sources, in particular, are prepared to a great extent because of the money liquidity which predominates here to discount such claims after consideration of the period of validity of the Blocked Mark Tax Order. To this extent this business has the character of a defensible business transaction. Since however the supply increased, not in the least because of politically colored mistrust, and the money suppliers saw in the purchase of such claims a profitable business, the discounting has assumed a volume which exceeds what can be considered justified. Thus the so-called Inland Mark is quoted at present between 40 and 42 gulden for 100 Reichsmark, while the quotation in consideration on an interest rate of 5% and a five year term as well as generous banking charges, would have to be about 60 gulden.

Such an undervaluation of the Reichsmark naturally reduces the good reputation of the German currency. It must however be taken in the course of things, as long as unlimited transfer of Netherlands capital from Germany is impossible. In order to cut out this speculation at the expense of the Reichsmark, the responsible Netherlands agencies have proposed to me the requirement of a license for trade in the so-called inland mark and in German securities. This procedure stated to have the advantage in ownership of Reichsmark claims would only take place in justified cases, and trade would thus be limited to a minimum. Furthermore this procedure would make possible examination of the purpose for which the Reichsmark claims are to be procured, and to cut out all cases in which the procurement is for travel and support allowances. In such cases the applicant would be told to purchase Registered Marks.

I agree to these proposals, though I understand that this procedure is purely of temporary help and new types of violations would appear.

I have presented this circumstance in a special report, and have made proposals to take care of the resulting difficulties. (Report of 3.2.1941)

* * * * * * *

Lately there have been complaints from all parts of the Netherlands that tradesmen make difficulties in accepting Reichsmark means of payment. The Netherslands business world desires a uniform regulation to the effect that German money may not be used as means of payment in the Netherlands.

These circumstances, already reported specially, are a result of Circular 89/40 of the Reich Economics Minister, dated 30 October 1940, according to which Reichsmark means of payment may be taken from the German Reich to the Netherlands in travel and border trade, in specified amounts, and may be given in payment here. This possibility also exists for members of the Armed Forces.

The wish of the Netherlands business world for a uniform solution is in accord with the efforts of all responsible Netherlands agencies, particularly the Netherlands Finance Minister and the Netherlands Bank, to limit money circulation as far as possible to the currency of the country. This is however not possible at present, since the following types of money circulate in the Netherlands:

Means of payment reading in gulden,
Reichskreditkassen certificates,
Reichsmark notes,
Rentenbank certificates,
and German coins.

Most of these means of payment obviously result in Netherlands circles raising objections to their reception. These difficulties are also to be attributed to the fact that the Netherlands population has, in part, no exact knowledge of the German means of payment, and, as has become known, that already false and invalidated German means of payment have been given in payment to the Netherlands business world. The difficulties of this nature can only be eliminated by withdrawal of Circular 89/40.

* * * * * * *

Signed: Wohlthat

PARTIAL TRANSLATION OF DOCUMENT EC–469

Berlin, 25 May 1940

Wi Rue Amt/Stab Ia
[Economic Armament Office/Staff Ia]

Memorandum on Conference Duesseldorf
on 22 May, 0915 hours

Present: Lieutenant-General Thomas
Lieutenant-Colonel baron v. Schruetter
Major v. Gusovius
Major Dochner

1. Short report of Lt. Col. Baron v. Schruetter on his activity thus far with Army Group B, which consisted mostly in checking of firms in Eastern Holland. Colonel Nagel took upon himself the checking of Dutch firms in the West; reports on the checking are not at hand so far.

2. *Report Lieutenant-General Thomas:* In the first instance on the general situation upon the strength of conferences which took place the day before in the Fuehrer's headquarters and with Field Marshal Goering.

Arrangement for Holland:

After the appointment of Reich Commissar Dr. Seyss-Inquart, Councillor of State [Staatsrat] Wohlthat would have to treat all financial questions of banking and money organization, furthermore the regulation of imports and exports and the distribution of the total production (also inland-export).

Upon request of the Ministry of Economics, all questions of the non-armament industry concerning business, shall be treated by the Armament Inspectorate Holland. The Reich Ministry of Economics gives its directives for that. The Armament Inspectorate must work under the Military Commander, in closest cooperation with Dr. Seyss-Inquart. Principal task of the Rustung Inspectorate: Take care of the entire industry, inasfar as industry under the Reich Ministry of Economics through General v. Manneken, according to detailed directives by him, through Armament Office.

Removal of raw materials needed in Germany likewise through the Armament Inspectorate. For the quickest execution of this task, Lt. Col. Veltjen has been sent by the Field Marshal to the Reich Commissar and Military Commander to the Hague as liaison officer (VO), who will also have to cooperate closely with the Armament Inspectorate, especially for salvage and removal of perishable goods.

* * * * * * *

Removal:

On principle, everything at once which is urgently needed by the homeland. Enterprises of armament economy, as e.g. Philips Eindhoven, must keep the material in order to be able to work. A removal of machinery is not to take place for the moment, checking and registration of machinery nevertheless to be started.

* * * * * * *

Tasks of the Dutch industry:

The Dutch industry is especially important in case of a separate arrangement with France. In the following battle against England a changeover of the German industry to airforce and navy is necessary in which the Dutch industry would have to be organized as sub-contractor. * * *

[initialled] Thomas

PARTIAL TRANSLATION OF DOCUMENT EC–470

10 April 1941

Armament Inspectorate
Netherlands
Book—No. 1229/41 g
To a 2: Special events in the field of

b. procurement of means of production, raw material, semi-finished products:

"In the field of *iron, steel and metals* more restrictions of production and prohibitions of use have been decreed. The turning in of scrap metals in Holland is being prepared. For the procedure of rationing a simplification through the use of cheques for raw material for small quantities. Moreover the extreme absorption of industry through Wehrmacht and transferred German orders makes it necessary to introduce a certificate of urgency for the important domestic Dutch demand for production in order to assure the demand for supplements and repairs."

PARTIAL TRANSLATION OF DOCUMENT EC–471

Armament Inspectorate Netherlands—War Diary for the time from 1 January 1943–31 March 1943

A. *Change of the subordination and of the scope of tasks.*

In the course of the reorganization of the War Economy Offices in the occupied Western territories, the Armament Inspectorate Netherlands was eliminated (effective 1 February 1943) from the jurisdiction of the OKW War Economics Office—and was subjected exclusively to the Reich Minister for Armament of Ammunition—Armament Office—.

For the execution of the War Economic·Tasks the agency of a War Economics Officer with the Wehrmacht Commander in the Netherlands and with the Armament Inspectorate was established The WWiO (war economics officer) Netherlands has his seat with the Armament Inspectorate in Baarn. As an official of the Military Commander Netherlands he is under orders of the Chief of the General Stâff, otherwise he is under orders of the Chief of the War Economics Staff West in Paris.

B. *Plan of Work.*

The plan of distribution of work of the Armament Inspectorate Netherlands is changed as follows through the reorganization of the Department "Business" which, by order of the Reich Commissar for the occupied Dutch territories has detailed one German plenipotentiary for the Dutch Reich Bureaus in comparison with the situation as of 1 October 1942 (see War Diary for the time from 1 October 1942–31 December 1942).

Dept. Business
Department Chief:
Ob. Reg. Rat Dr. Heinemann
Deputies:
Major Schoeller
Director Brocke

Decision in all fundamental questions of assurance of raw material requirements, of raw materials rationing and of regulation of production and consumption.

Reports to superior Offices. Current information of the Armament Inspector on the state of work of the department.

PARTIAL TRANSLATION OF DOCUMENT EC-472

2,000 copies

The Reich Marshall of the Greater German Reich
For Official Use Only
Directives
for the Operation of the Economy in
the Newly-Occupied Eastern Territories
(Green Folder)

Part I (2nd edition)
Functions and Organization
of the Economy
Berlin, July 1941.

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THE ECONOMIC ORGANIZATION

A. *In General*

For the uniform direction of the economic administration in the area of operations and in the areas of the future political administration, the Reich Marshall has created the

"Economic Executive Staff, East"

which is responsible directly to him and which, in the absence of the Reich Marshall, is directed by State Secretary Koerner. The Chief of the "Wehrwirtschafts- und Ruestungsamts", General of the Infantry Thomas, in his capacity as a member of the Economic Executive Staff, East, acts as a representative of the military interests during the preparation and execution of the military operations.

The orders of the Reich Marshall cover all economic fields, including nutrition and agriculture. They are to be executed by the subordinate economic offices (infra under B).

The orders of the "Economic Executive Staff, East" are transmitted for execution by the Chief Wi Rue Amt to the

"Economic Staff, East"

which is proceeding into the occupied territory and which, during operations, is located in the immediate vicinity of the OKH/Gen Qu (High Command of the Army; Headquarters).

B. *Economic Organization in the Area of Operations*

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IV. *The particulars of the organization of the economic offices.*

1. *Economic Staff, East*

The Economic Staff, East, as the *advance command offices* of the Economic Executive Staff, East, is located in the immediate vicinity of the OKH/Gen Qu (High Command of the Army; Headquarters). It has the function of representing, at the OKH/Gen Qu, the commands directed to it by the Reich Marshall via the Economic Executive Staff, East and the Chief Wi Rue Amt; and it has the function of securing their execution through the channels stated supra under B III.

The Economic Staff, East is sub-divided into:

Chief of the Economic Staff, together with the group of leaders (function: questions of leadership; in addition, assignment of work).

Group La (functions: nutrition and agriculture, the economy of all agricultural products, provision of supplies for the army, in co-operation with the army groups concerned).

Group W (functions: industrial economy, including raw materials and public utilities, forestry, finance and banking, enemy property, trade and commodity transactions.) The special staff of the Plenipotentiary for Motor Transportation is a member of Group W.

Group M (functions: needs of the army, military economy, transportation of economic goods).

PARTIAL TRANSLATION OF DOCUMENT EC–472–A

War Diary of Armament Inspectorate from 10 April 1940–30 September 1942

5 June 1940

"Department Business (Ge Wi) begins its activity; Chief: Reg. Rat Dr. Heinemann (Reich Ministry of Economics) Armament Inspectorate arranges with Reich Commissar, that directives to

"Business" (Ge Wi) as a department of the Armament Inspectorate are given only thru Armament Inspectorate. The Chief of Department for direct reports to Reich Commissar first of all applies for consent of the Armament Inspectorate."

* * * * * * *

30 October 1940

"When considering the incorporation of the Department Business (apparently of the Office of the Reich Commissar) into the Armament Inspectorate Netherlands and its activity up to date, it must be ascertained that the scope of tasks of the Department jurisdiction is divided into two parts. Firstly it has to control raw materials found in Holland according to the instructions from the Ministry of Economics and to execute the rationing, secondly it has the tasks which are given to the Rationing Offices [Wirtschaftsaemter] in the Reich.

It is a matter of fact that in the control and distribution of raw materials a close connection with the Ministry of Economics had to exist and as also the entire personnel was incorporated in the plan of organization of the Reich Commissar, an intimate connection with the General Commissar for Finance and Economics resulted therefrom. The directive contained in the Situation report of 18 June 1940, according to which the Chief of the department "Business" should get his official directives only thru the Armament Inspector and report to the General Commissar for Finance and Economy only after notification to the Inspector, remained without consequence as the fundamental directives concerning the raw material economy were issued from the Reich Ministry of Economics. This interlacing was expressed in the letter head used by the Department "Business" in which under the government eagle was marked "The Reich Commissar for the Occupied Dutch Territories" "The General Commissar for Finance and Economics" and only in the third place "Armament Inspectorate Netherlands".

In the scope of tasks of the Rationing Office, in the unification of all affairs of the general economy concerning war economy under the direction of the Armament Inspector, the caretaking activity of the Department "Business' has up to now not become manifest substantially."

* * * * * * *

25 June 1942

"With the Department "Business" a special section "Rationalization" with its seat in the Hague was established, the task of which is to transfer present orders important for the war with the aim of a consolidation and to exclude at the same time all productions not important for the war and close down a great number of enterprises on all fields and to use the released working means and production goods in other more productive work places, even outside Holland."

PARTIAL TRANSLATION OF DOCUMENT EC-473

History of the Armament Inspectorate—Netherlands, Pages 3-4.

"Instead of the Armament Commands, industry agents (I.B.) have been appointed to a certain extent as follows: Major Ramm with the Department Airforce for the Philip's Bulb Factories, Eindhoven; Major Dr. Bodenstein with the department Army for the Government Artillery Arsenal, Homborg; Rear-Admiral Schulz with the Department Navy for the navy-yard in Rotterdam. On account of the considerable participation of the Philips concern in tasks important for War, two German directors were appointed and on 15 October 1940 the agency of the I.B. (industry agent) was dissolved.

PARTIAL TRANSLATION OF DOCUMENT EC-474

Armament Inspectorate Netherlands
of the Reich Minister for Armament
and War Production
Central Department WS (Economic Staff)
Br. B. No. 896/44 Secret.

Hague, 1 June 1944
Secret!

Subject: Report on Situation
Reference: OKW Wi Rue Amt (Economic Armament Office) /III 6 No. 21755/42 of 9 May 42.

Inclosed the short report of Armament Inspectorate Netherlands for May 1944 is submitted.

Signed: Lamprecht.

* * * * * * *

Clearing of Machinery: Import of machinery from Belgium ceased because all machines produced there must be delivered to the Reich. Therefore, the only source is now acquisition of machines shut down in the Dutch area. From this, the most urgent need in the month covered by this report could be met.

PARTIAL TRANSLATION OF DOCUMENT EC–485

Berlin, 13. October 1940.

V.P. 16158 III.

Conference under the chairmanship of the Reichsmarshal on October, 1.1940 about the economic exploitation of the occupied territories.

To begin with the Reichsmarshal declared that the Fuehrer has given instructions for the settlement of a number of points after a conference in which the Reichsmarshal had reported to him his impressions received on his trip through the Western occupied territories.

I. *Military measures:*

In the Military sphere it is necessary to ease up a number of regulations which were positively necessary at the time of their proclamation, but which have now caused justified complaints and therefore have to be examined with the aim to relax them.

a. Restricted areas.

The restrictive isolation of some cities in France and Belgium has to be relaxed and that as well for the marching through of soldiers, who need recreation and diversion from their heavy duty, and for higher officers, who wish to enter the restricted areas individually. General Streccius reported that the difficulties which have existed have been removed already to a large extent as far as Paris is concerned. The Reichsmarshal orders that the entire administration of the restrictions shall be examined once more. He attaches special importance to the point that members of fighting units of the Air Forces, who can never make disposition of their time far in advance, may pass through Paris unobstructed and that the permit to pass, which up to now was generally given to Generals only be also extended to officers of a lower rank.

b. Purchases by soldiers.

The purchase limitations for soldiers, civilian officials of the Armed Forces a.s.o., in force in the occupied territories, shall be suspended on principle. The Reichsmarshal states that he considers the scruples as negligible which were raised by various sources, fearing a threatening depletory selling out of the occupied territories. He called the attention to the fact, in what unrestrained manner Germany has been depleted in her time by foreigners with strong currencies and pointed out that in the first place it doesn't matter if the selling out in the occupied territories takes place sooner or later and that secondly the selling out by German soldiers a.s.o. is even limited to much anyway, in view of the coming Christmas holidays, by the low war pay and the small purchasing power resulting therefrom. The Reichsmarshal defines the measures taken up to now, to control the purchase—and shipping limitations psychologically as unbearable and to carry out in practice as very difficult at least. The soldier does not consider the conquered territory as a foreign country and therefore does not understand it, when custom duties for his personal purchases are demanded from him at the old Reichs frontier. Things were different only in such cases in which merchandise was taken across the frontier for the purpose of selling it in the Reich. The Reichsmarshal therefore ordered:

1. The soldier and all other members of the Armed Forces and other units and organizations may purchase in enemy territory as much as they can pay for, everything in the same manner but also under the same restrictions as the natives.

2. Prohibition to purchase furs, jewelry, rugs, silk material and luxury goods has to be declared as void at once.

3. Restricted goods, especially food (provisions) shall be made available by purchase to soldiers, etc. only by ration points or ration cards. "Standing in line" in the midst of Civilian population is by all means out of question for soldiers.

4. Luxuries, as chocolate and coffee, which become scarce within the occupied territories, have to be seized and must be sold to the troops by way of the PX and canteens.

5. Members of the forces of occupation have to be practically exempt of the results of rationing as far as possible, namely, either by a generous providing with ration points or by an exemption from the rationing system for Germans.

6. To put members of the occupation force in the position, to please their relatives at Christmas, they must be given the opportunity to receive from their homeland in addition to the amount already granted, a further sum of money for once, corresponding approximately with their monthly pay.

7. Restrictions in force now, concerning the mailing of APO packages from the occupied territories to the homeland, have to be made easier regarding their number as well as their weight and their contents.

8. Restrictions concerning carrying of objects bought by men going on furlough etc. have to be nullified in principle. The soldier shall be permitted to take with him such things as meant for his own use or for the use of his relatives.

9. Custom barriers at the borders of the occupied territories are to be declared void for members of the occupation forces and

other units and organizations employed within the occupied territories, this also in regard to APO mailing.

10. For goods of any kind, carried by troops units or organizations on motor cars and vehicles as luggage and not intended for the personal use of the men or their relatives, but for sale, the custom duty is still valid.

The Reichsminister for Finance, Count Schwerin von Krosigk, explaining this, says, that the Finance administration takes not the slightest interest in levying a custom duty on goods, carried by soldiers etc. from the finance-political point of view. The finance administration has only instated its officials for the purpose of carrying through such control requested by other departments. Today there is still a need for control of pillage goods. In this respect the Reichmarshal pointed out the perfect disciplined behavior which has been shown by the troops up to now, so that pillage goods only could be existing to a very small extent. In addition, according to the conception of the Reichmarshal, a control on the border would hardly lead to positive findings and therefore would be useless. The Reichminister for Finance subsequently declared, to agree to abolish this control regulation.

General Wagner reports, that General Field Marshal von Brauchitsch had practically already consented to many points of the mentioned demands of the Reichmarshal and that he agreed to the measures, taken now by the Reichmarshal.

Major General Reinecke announced the directives already issued by OKW, and raised the question, whether the existing special ruling for official travel should be maintained. The Reichmarshal ordered that member of the Wehrmacht as well as officials and civil service employees, while traveling on official business into the occupied territories, were not to be treated worse than the member of the army of occupation.

II. *Automobile- and Refugee-Traffic.*

The Reichmarshal demanded limitation of the automobile traffic in the occupied territories, especially concerning automobiles used by refugees. He complained about Jews being readmitted to a great extent into the occupied territory and were, in doing so, allowed to use motor vehicles without special identification. The same holds true for the return of seminaries for priests. The sealing off of the line of demarkation also leaves much to be desired. General Wagner stated that the communications of refugees had essentially come to an end by now and that upon arrival at their home town, the refugees were allowed to keep their motor vehicles in urgent cases (physicians) only;

he further stated that Jews as a matter of principle, had not been re-admitted anymore, that a rigid and comprehensive control of the line of demarkation stretching out over 1200 km and of the border of the "Green Territory" having a length of 800 km. was, however, practically not possible for lack of sufficient patrol troops and that, consequently, only the main through roads could have been sealed off satisfactorily.

Anticipating of the termination of the communication of refugees, the Richmarshal desisted from issuing at this date further special directives for the refugee traffic.

III. *Economic Measures.*

. *Purchase of luxury goods by German firms.* The Reichmarshal ordered that luxury goods, still available in ample quantities within the occupied territories, should also to be made accessible to the German population.

The Reich Ministry of Economics was to submit to the Reichmarshal a list of firms, which should be entitled to buy up luxury goods (jewels, furs, leather goods, carpets, silk) in the occupied territories. In issuing permits, special consideration was to be given to trusted firms, which already had always done business as import firms in this particular field. But also such firms should be considered to a larger extent, which had formerly been pushed back by Jewish firms and, therefore could even later on, dispose only of very small import quotas. The Reichmarshal reserved the right of his personal approval of the lists.

Appropriate measures should make sure that the firms should resell the purchased goods to the German public at cost which, as a rule, was below the German price—plus a fair profit and that they should not pocket the difference between the low price in the foreign countries and the high price at home.

In reply to a question raised by Undersecretary Landfried, the Reichmarshal ruled that, as long as the imported textiles were rationed in Germany they would remain rationed that way. The advantage for the German consumer was that he should get for his ration coupons beautiful and good clothes at a low price.

b. Purchases by Lorraine firms in the occupied French territories. The representative of the Chief of the Civil Administration in Lorraine requested permission that the Lorraine purchasing agents should be allowed to buy up to the greatest possible extent within the occupied French territories all the goods needed most urgently in Lorraine, but not available from the Reich.

General Wagner and Ministerial Director Michel report that in the meantime, the question with the Civil Administration for

Lorraine (CdZ) has been basically settled. The representative of the Chief of the Civil Administration (CdZ) admits that, but is of the opinion that the provided quantities were much too low. The Reichmarshal determined that the Chief of the Civil Administration (CdZ) for Lorraine should submit a list to him containing the requests of Lorraine and the particular reasons for them.

c. Economic obligation. The Reichmarshal declared that he knew of different cases in which individual German firms supposedly tried, by means of special connections, without permission of the competent offices in the Reich immediately above the military commanders in the occupied territories, to exert influence on economic institutions in the occupied territories or to settle some old pretended legal claims dating back to the time prior to the world war. The Reichmarshal ordered the military government of the occupied territories to use utmost discretion in such matters and to consult in every case with the Reich Ministry of Economics whose duty it is to make decisions alone in the choice of trustees for the larger industries and establishments. Offices of the military government in France and Belgium, the Reich Commissioners and the chiefs of the Civil Administration are not allowed to make independent commitments of any kind to individual German interested parties. The Reichmarshal emphasized that he reserved himself personally the right to definitely settle such matters.

d. Food for the occupied territories. The Reichmarshal ascertained that the food situation in France and Belgium was not to be especially considered by us and that additional supplies by the Reich were definitely out of the question. Here the circumstances vary with those of Norway, Denmark and Holland which, for political reasons and conforming to the Fuehrer's decision, are to be accorded better treatment.

It is very important for France to increase energetically the output of agricultural products which, prior to the war, was unbelievably neglected, and to recultivate the large idle fields. On this subject Ministerial Director Michel declared that actually the agricultural cultivation in France had already been increased by 25%.

State Secretary Backe gave a short report on the food situation in Belgium. To avoid a sharp drop in the productivity of labor working for German interests, even with the additional agricultural surplus of the districts "Nord" and "Pas de Calais" of northern France, and in order to maintain the already very reduced bread rations, Belgium will need as of May 1941 an additional

230,000 tons of grain to tide it over to the next crop. Whether the Reich can grant this additional supply is still an open question.

In this connection General Wagner announced the Fuehrer's decision that the northern French districts of Nord and Pas de Calais were to remain under the Military Government of Belgium until further notice. The Reichmarshal pointed out the fact that in spite of territorial aggrandizements in the East—the granary Posen-West Prussian—, the over-all food situation had not been eased; whereupon State Secretary Backe declared that it should not be overlooked that the entire territory occupied by the German Armed Forces in normal years had a surplus of imports of over 11,5 Mis Gato of grain.

Nowadays big quantities of grain in South-America and Canada have to be destroyed or used as fuel on account of the lack of markets. State Secretary Backe referred to the fact that the attempt of running the blockade may remain profitable in spite of bigger losses in view of the extremely low grain prices in South-America.

e. Coal-Economy. Reich-Commissioner for Coal Walter gave a short survey about the situation of the coal-hauling, the coal-transportation, and the covering of the necessary coal supplies in the occupied territories. He emphasized the solution of the question of transportation as the decisive factor. The Reichmarshal emphasized that the coal-economies of the occupied territories have to be included in the entire German coal program.

f. Payment of the occupation costs by Holland. In spite of the often expressed reflection on the part of Holland that Holland is not in a position to pay the demanded amount of the occupation costs, the Reichmarshal made it clear that Holland had to raise under all circumstances the fixed amount of the occupation costs and that it was the task of the German administration to enforce this requisition with all means and not to acquiesce in any way in the requests of the Dutch.

Dr. Bergmann

Distribution:

1. General Field Marshal Keitel
2. General Field Marshal von Brauchitsch
3. Grand Admiral Raeder
4. Lieutenant General Reinecke (OKW)
5. Lieutenant General Thomas
6. Admiral Witzel (OKM)
7. General Wagner (OKH Gen.Qu.), Fontainebleau

7a. Chief of War Administration Sarnow (OKH Gen.Qu.) Fontainebleau
8. Colonel Becker (OKW Armaments Department for the Armed Forces)
9. Reich-Minister Graf Schwerin von Krosigk
10. Reich-Minister Ohnesorge
11. State-Secretary Nagel.
12. Reich-Minister Funk
13. State-Secretary Landfried
14. Under State-Secretary Lieutenant-General von Hanneken
15. State-Secretary Backe
16. State-Secretary Kleinmann
17. State-Secretary Syrup
18. Reichsleiter Bormann
19. Ministerial Councillor Baermann
20. SS-Major General Heydrich
21. SS-Colonel Ohlendorf
22. Regierungsrat Staffeldt
22a. Reich-Commissioner for Coal Walter
23. State-Secretary Koerner
24. State-Secretary Neumann
25. Military Commander for Belgium and Northern France, Lieutenant General Falkenhausen, Brussels.
26. Chief of the War Administration Raeder, Brussels
27. Colonel Nagel, with the Military Command for Belgium, Northern France, Brussels
27a. Generalintendant Fritsch, (civilian administrative official with the rank of a Colonel), Brussels
28. Lieutenant General Streccius, with the Military Commander in France, Paris
29. Minister Schmidt, Chief of the Military Government, Paris
30. Ministerialdirigent Michel (high ranking civil service official), with the Chief of the Military Government in France, Paris
31. Minister Fischboeck, General Commissioner for Economics and Finances, The Hague
32. General Schwabedissen, Chief of Staff of the Military Commander for the Netherlands, The Hague
33. Lieutenant Colonel Veltjens, The Hague
34. Party member Boesing, with the Chief of the Civil Administration for Lorraine.

REICH AND PRUSSIAN
MINISTER OF ECONOMY
TO PRESIDENT OF THE MINISTERIAL COUNCIL
GENERAL [GENERALOBERST] GOERING—COMMISSIONER FOR THE FOUR-YEAR PLAN—BERLIN.

[STAMP]

Prussian President of the Ministerial Council Chief
Rec'd. 18 May 1937

Berlin W 8, the 17 April 1937
Behrenstrasse 43

Files [pencil]

My Dear Mr. President of the Ministerial Council!

I have gathered from your kind communication of 12 April—St.M.Dev. 2218—that you agree, with me, that Germany should utilize to the full the export opportunities offering themselves at this time, in order thereby to secure above all the fulfillment of the food and armament requirements for the future. Hereby you aim at an increase of about 1½ Billion Reichsmark in the export proceeds for the calendar year 1938. I am of the same opinion as you, that an increase in exports on this scale is necessary, if we are to succeed in decisively unburdening the German raw material and foreign bills of exchange situation and thereby in securing the food and armament requirements for the future. I have already stated in my letter of 2 April, that conditions in the world markets allow for a considerable extension of German export. Whether an increase of the export proceeds of 1½ Billion Reichsmark, i.e. an increase in exports of approximately 30% compared with the year 1936, will be possible, can naturally not be predicted with certainty.

This does not depend solely on our ability to deliver and our willingness to deliver, but also on the further development of the state of business in the world as well as on the willingness and readiness of foreign countries to accept, whereby psychological and foreign-political factors play an important part.

In order to utilize the present export opportunities, it is above all necessary, that the principle of the urgency of export trade, which unfortunately has been undermined in the last months, be given renewed attention. I welcome the fact, that you are prepared to use your authority in this direction and that you intend most emphatically to make it the special duty of all participants to pursue those guiding principles which are to be set up for the increase of exports. For the discussion of this subject, as proposed, by which should indeed take place as soon as possible, I am sending enclosed a list of persons, whom it would be of practical importance to invite.

Furthermore the following measures should be taken:

a. The control offices are again directed under all circumstances to distribute the raw materials needed for export contracts. They are furthermore directed to favor, when possible, those firms dealing mainly with export trade also in regard to the raw materials distribution for the inland sector.

The same applies to those firms, which manufacture basic products for the export trade. Firms especially engaged in export could perhaps be permitted to receive part of their export free for the purpose of making their own purchase of raw materials outside the jurisdiction of the control office, so that they can increase their export activity independent of raw-material difficulties. Thereby it can naturally happen, that at first a certain friction may arise in firms, which at present are primarily or exclusively occupied with the inland-market. However, these difficulties can be taken into the bargain, since they will later smooth themselves out of their own accord as a result of the steady increase in the volume of export. The examining offices for the export trade likewise are again directed to pay strict attention that, where at all possible, those export goods bringing a high price and not those requiring much raw material be exported.

b. Those economic groups, whose production capacity is so much utilized by inland contracts, that there is no room or insufficient room for the carrying out of export contracts; are directed to maintain, that is, to provide the capacity necessary for the carrying out of export contracts. This can be accomplished by those economic groups, on whom I should levy appropriate taxes. At the present time this concerns the iron-refining and the wrought iron industry (iron and steel construction, construction of machines), the electric-industrial group and the motor industry, as well as the precision tool and optics group and the paper-manufacturing industry.

In all the remaining fields the question of capacity does not play a decisive role for the export trade. Here the question of export is generally a question of the apportionment of raw-materials and a question of the demand.

In order to reach a compromise between the competing interests of export on the one side and the Four-Year Plan and armament on the other in respect to the adjustment of capacity, representatives of the aforementioned fields of action should meet about once weekly, in order to decide those cases in dispute. The representatives would have to be equipped with such plenipotentiary powers that an immediate final decision is guaranteed. I, for my part, would make my Chief Consultant, Director of the Reichsbank Brinkmann, available for this purpose. A representative of the War Economic Staff to be named by the Reich Ministry of War, and a representative of the Four-Year Plan should also be included.

d. Price-politically the same procedure will be followed as before, so that the best possible price will be secured for the German export goods. In the case of these export goods, which are touched by the state of business in the world, the extra-allowance will be cut further or completely suspended. In the case of those export goods, which now as before are affected by foreign price-pressure, such cuts are not feasible for the time being. However, in order to reach here too the necessary increase of export proceeds through an increased export amount, it will be necessary to increase the extra allowance in many cases and indeed especially in regard to countries, from which we receive either foreign exchange bills in cash or raw-materials in which we are interested.

After the discussion planned by you has taken place it will be of practical importance to carry over your views regarding the urgency of the export increase into the whole German economy also. As it is not advisable to do this by way of radio or press because of probable counter-measures abroad, I shall be pleased, if I could bring to the knowledge of all economic circles concerned by way of a circular decree, via the Reich Economic Chamber, an exchange of letters between us, as yet to be agreed upon.

Heil Hitler!
Yours very truly
/s/ Hjalmar Schacht

TRANSLATION OF DOCUMENT EC-493

Obersalzberg, 22 August 1937

Prime Minister General Goering
Commissioner for the Four-Year Plan
St.M.Dev.5/34
To the President of the Reichsbank, Dr. Schacht,
Reich and Prussian Ministry of Economics.

Dear Mr. Reichsbank President!

To your letter of 5 August in which you make detailed statements on matters of principle regarding my activity in the Four-Year Plan I should like to reply today, the more so as your expositions require the correction of a number of individual points. I shall now state my point of view for this purpose. In accord with the comprehensive viewpoint contained in the "closing remarks" of the above-mentioned letter, I, too, am separating my reply into three sections: financial policy, foreign exchange policy, and production policy. I should like to emphasize here that, in my reply, I have only stressed the most essential things, and that I am really in a position to add many examples which would clearly show that, in many points, your letter does not state the actual facts completely or consistently. Thus, in my opinion, it is not supremely important whether things are carried out and measures taken because they belong to the proper functions of a ministry, but rather that this ministry has borne the actual initiative and has been the author of these measures. I can well imagine—and there are proofs of this—that things have been done within the functions of a ministry, even though this ministry contribute little thereto, yes, was often even basically opposed to them. Yet I have omitted to give here such examples regarding your ministry since, in my answer, I care more about stressing matters of principle.

I. Financial Policy

Regarding your remarks about financial policy I can be relatively brief. I really do not see with what you want to reproach me in this regard because, in essential matters, I completely agree with your expositions and have up to now acted accordingly.

I give especial recognition to your achievements in the matter of financing the armament program. I further agree with you that an endangering of this policy by the question of wages must be avoided. My fundamental viewpoint regarding the wage question within the framework of the Four-Year Plan I have expressed, among other things, in a letter on 2 December 1936 (St.M. foreign exchange 1270) to the Reich Minister of Labor of which I enclose a copy. From the beginning of the Four-Year Plan I have also decisively opposed the "unregulated competition of the building and armament industries in the labor market", which you criticize. This purpose was especially served by the 2nd and 4th decrees for the execution of the Four-Year Plan (Deutscher Reichsanzeiger No. 262) which I issued on 7 November 1936. At that time the number of unemployed still amounted to more than a million. Now that, meanwhile, the number of unemployed has sunk to ½ million, and an undesired, wage-raising fluctuation of labor has recently set in, my authorized offices are making new efforts to check this development. The corresponding proceedings passing through the offices of the price commissioner and the compulsory war emergency employment are quite in line with what you, too, believe to be the right thing.

I am glad, however, to acknowledge your cooperation in the matter of financing individual projects of the Four-Year Plan, for instance the increase in the production of mineral oil and the enlarging of the electrical service. The principle employed here and generally proclaimed by you, of relegating industry as much as possible to self-financing, I consider unreservedly correct. I have also instructed the office for German raw and synthetic materials accordingly, which since then has been operating as far as possible on this principle. Out of about 960 million RM the office has succeeded in raising something over 830 million RM by means of self-financing of industries; only to the amount of 8 million RM were subsidies granted. If I have given to the "Hermann Goering" A.G. for the Mining of Ore and for Iron-works the form of Reich plants, this was done only to give the work of the company the necessary impressiveness and to facilitate the work as much as possible. Financial participation of the private economy in question is by no means excluded thereby, but rather quite possible, yes, actually desired. Discussions on this matter are already taking place. The magnitude of the financial needs of the plants has not yet been established, so that the fears you have expressed in this regard are premature. In so far as claim has had to be laid to public funds, the matter has been discussed with the Reich minister of finance, who gave his consent. In the future I shall act likewise. Thereby I shall also come into touch with your ministry.

Concerning your pointing out of a development which, you believe, will end in inflation, I am naturally under the necessity of putting forth every effort to preserve the equilibrium of political economy and finance-politics. In so far as you work at these matters you may be completely assured of my cooperation, on principle. What importance I attach to questions relative to this matter may be seen from the fact that, within the frame-work of the Four-Year Plan, I requested the appointment of a price commissioner whose authority would go considerably beyond that of the previous price control office. The results of his activity up to now you may see in the weekly report of the institute for research into economic cycles of 14 July of this year in which to the figures of the week in the introductory remarks, after pointing out the price developments in the United States, Great Britain and France the following facts are added:

> "Compared to these the price movement in Germany distinguished itself through a remarkable stability. Wholesale prices have been raised, during the past year, approximately 2 to the hundred and the standard living cost has risen only to the amount of 0.7 to the hundred. This stability of German price development is primarily a successful result of the comprehensive price policy."

II. *Foreign Exchange Policy.*

My judgment of your expositions on foreign exchange policy, in which I find certain misconception and errors, is essentially different. The first point in your criticism is the claim that after the Fuehrer had assigned to me the carrying out of the Four-Year Plan, I had made one of my "first measures the seizure of foreign securities in the posession of Germans as well as the demand for speediest delivery of goods owed to Germany by foreign countries and the liquidation, in so far as was possible, of German investments abroad. Our chief aim, on the other hand, was to be the increase of native raw materials and the increase of foreign exchange receipts through exports." This claim is erroneous.

I have handled the seizure of foreign exchange reserves since midsummer in 1936. If you figure my activity for the Four-Year Plan from the time of the Fuehrer decree of 18 October 1936, then I began to handle the foreign exchange reserves previously. Actually, however, the beginning of my work at the tasks of the Four-Year Plan dates back to the authority given me by the Fuehrer in April 1936 to take charge of the raw material economy and the foreign exchange economy. Looking at it this way, I only began to handle the foreign exchange reserves toward the last, that is, not until the moment when I had already taken all necessary measures for the promotion of export and the increase of production within the country. Yet I have always been aware of the connection between these three fields of assignment and of the sequence to be followed in attacking these problems. The details of the matter developed as follows:

On 4 April 1936 I was assigned by the Fuehrer and Reich Chancellor to investigate and institute all measures required by the raw material and foreign exchange situation. After the first organizational preparations I began, as early as the beginning of May, to deal with the export question, first in the small ministerial council, soon also in larger meetings in which you and the other ministries involved as well as many economic representatives participated. In the course of these discussions in which the export question was thoroughly examined from the standpoint of principle as well as in all its details, an entire series of measures for the promotion of exports have been put in force of which some were based on suggestions made by yourself.

How much importance I attached to the export problem from the very beginning is also shown by the fact that I immediately called a special committee under the chairmanship of State Secretary *Trendelenburg,* retired, whose work—which as far as I know is recognized without reservation—on the inevitable repercussions of an adjustment of currency was exclusively caused by the German export interest. Besides this, still other programs were in progress in which, at my instigation, Professor Ernst Wagemann participated, among others, by drawing up an extensive memorandum about the problems of the German foreign economy.

Only when this work seemed completed for the time being and had shown that the tasks assigned to me could not be solved from the export angle alone—I shall come back to this subject further on—I turned to the foreign exchange reserves of the German national economy. In the meantime the Fuehrer too, in his memorandum on the Four-Year Plan drawn up shortly before the 1936 party rally, pointed out that an examination of the outstanding foreign exchange assets of the German economy abroad was to be undertaken immediately.

That later in the course of the Four-Year Plan I supported your point of view on the export question, you, yourself, acknowledged elsewhere in your letter. I therefore need refer only briefly to my corresponding efforts. You know what role the consideration of exports continuously played in the discussions about the fixing of iron quotas. The export quota, which was made as large as possible and which, in consideration of the present iron shortage, can, I daresay, be regarded as satisfactory, has never been curtailed and, as my deputy, the plenipotentiary general for the iron and steel economy, declared in a discussion held at your house on July 27 of this year, it will remain uncurtailed in the future. The meeting of May 5, which I called and at which I ordered the increase of the exports by about 1.5 billion in the calendar year 1938, is likewise still fresh in your memory. Finally, you will also recall the evaluation of this discussion by my letter of May 7 of this year, in which I founded the committee for the settlement of conflicting interests among Wehrmacht, Four-Year Plan, and exports, which has the special task of opening the way for exports, if necessary even by deferring urgent home orders. I know that since taking over the Reich Ministry of Economics you have been successfully trying to promote exports; I cannot, however, recognize a criticism of my attitude toward exports. I can also clearly see the future export prospects and demands as well as the consequences which would follow a decrease in foreign exchange returns from exports. On the other hand, it is of no significance if some of my offices may once have taken an attitude not in accord with the general export policy. Isolated deviations from the basic line can never be fully avoided, in view of the differences in the tasks to be solved by the various offices, but they are not decisive for the total success of an action. The total success of the export policy can surely very well make a showing within the framework of the Four-Year Plan!

If, besides the execution of all measures which may serve the expansion of exports, I also ordered the utilization of the foreign exchange reserves, I decided on this only after conscientious examination of all reasons pro and con. I could of course not assign any fundamental significance to the objection advanced by you, that with the dissolving of the reserves the interest on them is also lost; you yourself probably will not do so, if you visualize the volume and significance of this interest revenue. I have, however, asked myself seriously whether it is in fact advisable and justifiable to consume one of the last reserves of the German national economy even in the present situation. Decisive for the affirmative answer to this question was, in the last analysis, the realization that with the extension of German raw material synthetic production under the Four-Year Plan of the German economy I would open up new sources of supply, which some day will be able to replace foreign exchange reserves or contribute materially to the formation of new foreign exchange reserves. There was also the consideration that the reserves which a national economy possesses abroad—as Germany has just learned from sad experience—can in part no longer be realized in serious political conflicts with these foreign countries, but are as a rule lost. If one wishes to make use of these reserves, one must utilize them before such conflicts arise. I had no other choice in the situation then existing than to draw on the foreign reserves immediately.

In the part of your statement entitled "warnings" you say that you have long seen the dangers threatening from the scarcity of foreign exchange and have repeatedly informed the Fuehrer and Reich Chancellor of this.

I do not doubt that, but must nonetheless state that an *exact* picture of the situation was first formed when at my instigation, through my office in close collaboration with your Ministry, the first estimated foreign exchange balance was drawn that contained all the necessary details. The situation shown by this balance was, however, such that the foreign exchange economy seemed on the verge of collapse, as only a small fraction of the foreign exchange needs could be satisfied from the current accrual of foreign exchange. This situation had arisen in spite of the success of your export policy, to which you repeatedly refer. It was unfortunately also evident that it could not be improved by even the most intensive export policy alone. If the great national tasks set by the Fuehrer were to be carried on in the interest of the survival of the German nation, the only alternatives were to curtail to an unbearable degree the foreign exchange need for other purposes in favor of these tasks or to open new extraordinary sources of foreign exchange. Thus the taking over of the foreign exchange reserves has not been the result of a decision that I could make freely but has rather been an inevitable necessity arising out of the circumstances that I faced in the foreign exchange field on taking up my economic-political assignment. This is also shown by the fact that even you were not able to help yourself except by trying to raise the accrual of foreign exchange by special measures for the acquisition of foreign exchange demands as well as by gold sales, until my special project to gain control of the foreign exchange reserves were ordered. In 1936 a total of 46.5 million Reichsmark were acquired by special measures of the Reichsbank, of which only 12 million were due to my project. Along with that, 42.5 million Reichsmark worth of gold were sold in that year. As a result of these sales, furthermore, the Reichsbank's modest gold reserve became, as you pointed out to me yourself, ever smaller and threatened to disappear completely. The taking over of the foreign exchange reserves as undertaken by me protected the gold reserve of the Reichsbank from liquidation. Through the cancellation of the debits already noted by you, it (the gold reserve) is today better than before.

The inevitability of the seizure of the foreign exchange reserves has meanwhile become fully clear through the development in the food field. As you know, nearly half the proceeds of the special project have had to be devoted to urgent food requirements of the nation, although I met the need in the necessary degree through the initiation of a fats consumption regulation in the autumn of 1936 and also in the grain problem arranged all possible measures for the insurance of a thrifty economic management. If the foreign exchange from the reserves had not been available, the national food needs could not have been secured. No one conscious of the responsibility connected with the food policy will deny the necessity of avoiding under all circumstances any disturbances in the provision of foodstuffs. The foreign exchange proceeds from exports in no way covered this; they could satisfy the needs in the agricultural field just as little as those in the industrial field. The export trade, seen as a whole, not only did not make the special foreign exchange project unnecessary but even was supported by it, insofar as foreign exchange from the special project was claimed for export purposes.

As regards the use of the remaining proceeds of the special foreign exchange project, I cannot understand your remark that the foreign exchange proceeds are "not to be used for purposes of the Four-Year Plan." Insofar as the special foreign exchange was not expended for the nation's foodstuffs and for export purposes but for the "maintaining of our industrial occupation," they were in fact of benefit above all to the objectives of the Four-Year Plan which include, as is well known, the completion of the armament program. For industry is to a large extent occupied on behalf of the Four-Year Plan and of the armament program. You emphasize this yourself in another place in your letter when you speak of a "disproportionate claim on raw materials and manpower for public works as well as armament and the Four-Year Plan," and conclude that this is a danger to the export trade.

I agree with you regarding the care that is connected with the necessity of now realizing the foreign securities that have not yet been seized. This measure has become necessary because the proceeds of the special foreign exchange project must be used quicker than was foreseen and planned, because of the great need for foreign exchange for food and on account of the extraordinary rise in raw materials prices on the world market at the beginning of the year. I also am aware of the difficulty that exists in this connection and in view of the as yet incomplete German production of synthetic materials as well as in consideration of the new foreign exchange needs which may arise in the coming year (for example with the end of the moratorium). I must, however, insist on the request made to you that you make the necessary preparations for the seizing of the remainder of the foreign securities still in German hands. I will, however, leave nothing untried in finding ways and means to overcome the obstacles that confront the Four-Year Plan.

III. Production Policy.

The first statement in your critical remarks regarding the production policy asserting that the development in the agricultural sector has rendered the economic policy more difficult, is undebatable. However, opinions differ as to the cause of this fact. In this connection the Reich Food Minister gives different figures on the results of his production policy from those contained in your letter. According to the statement of the Reich Food Minister we had record grain crops in the years 1932 and 1933 which can hardly be compared to the crops of other years. During the years 1934–1936 the grain crops having been considerably below the above level still were higher than during the years preceding 1932 and did not reveal a tendency to decrease. This year's harvest cannot yet be accurately estimated but it is expected to be better than might be assumed from the estimate you submitted. In regard to potatoes prospects are still more favorable. Although potato crops since 1930 fluctuated regularly with a good year always being followed by a bad one, the potato crop in 1936 was especially good and a still better yield is expected from the coming harvest. According to the above, one could hardly speak of the failure of the production policy in regard to grain and potatoes. That is particularly true if one takes into account that during the past years agricultural acreage has actually decreased as a result of use of the land for other purposes, a fact which hardly can be blamed on the agrarian policy. The yields of agricultural production are also satisfactory in regard to crops of sugar beets, root fodder and hay which clearly show a tendency to increase. Livestock and milk production show a tendency essentially in the same direction. In regard to your remark about the failure of the agricultural market-regulations, the Food Minister emphasizes that they, in any case, had kept the bread price constant since the seizure of power while during the same period in other countries bread became more expensive—partly considerably more so.

If despite this, as you state correctly, the dependence of the German food situation on foreign countries could not be decreased but if, on the contrary, the need of the agrarian sector for imports recently became particularly pressing, this had hardly been influenced by technical deficiencies such as wrong estimates, etc., as asserted by you and as denied by the Reich Food Minister. In this respect an important role is played primarily by the increase of population, as cited by you, and the increase in consumption. In regard to population as a political factor, one must take into consideration that 67.8 million people live in the present Reich territory in 1936 against only 61 million in 1914. Through the re-incorporation of the Saar territory, 800,000 people have returned to the Reich and since 1933 we note a birth surplus of 1.8 million. For the increase of consumption the re-incorporation of 5 million unemployed into the labor process naturally had to become of decisive importance. In addition, the difficulties in the field of food were caused mainly by the almost complete exhaustion of provisions. In regard to the policy of provisions the Reich Food Minister points out that he himself had always attached great importance to maintenance of sufficient reserves and particularly to current replenishment through imports. On the other hand, you Herr Reich bankpraesident had been the one who, since October 1934 demanded that the reserves be dissolved and even suggested the export of grain as possible and desirable. In a letter of 14 August 1945—VI Dev. 197/35—you had explicitly expressed your regrets that 2 million tons of wheat at a price of 40 Reichsmark per ton had not been exported which would have brought 80 million Reichsmark in foreign currency. Had this wheat been exported at that time it would have had to be brought back now, of course for a sum three times as high as the original sales price. Furthermore, you declared in a conference of the chiefs held with me on 15 October 1935 that carefully planned purchases of grain abroad would not be necessary because you would at any time provide sufficient amounts of foreign bills of exchange if the import of cereals should become necessary at a later date. Under these circumstance it must be stated that you yourself share the responsibility for the development that today the grain provision actually have melted down to a level which caused me to contemplate the most serious measures.

As to my personal activity in the field of food policy, since I had to pay special attention to it within the framework of the Four-Year Plan, it has been clear and is generally known. Despite the fact mentioned above, that not export but the falling back on foreign exchange reserves provided the means of payment necessary to assure food for the people, I instituted the well-known fertilizer project in March 1937 which came just in time to have a decisive and most favorable influence on this year's crops of fodder and root vegetable. Furthermore, in direct discussions with the Reich Food Minister and the Reich Finance Minister I straightened out the existing differences of opinion about the means to be provided in the Reich budget for food and used my personal influence to secure the sums which must absolutely be made available for increasing agricultural production. During the past weeks, in spite of the great psychological difficulties to be taken into consideration in connection with it, I accomplished the delivery of the total amount of bread grain to safeguard the feeding of the population. I also set in motion negotiations the conclusion of which will affect the decision to be made by the Fuehrer on consumer regulations for grain. If you should extend your criticism of the food policy also to my participation in it, I could therefore easily refute the criticism.

But your objections to my measures for the increase of industrial production are also unfounded. The figures on domestic raw material production before the beginning of the Four-Year Plan as given by you at the beginning of your letter, are essentially correct. Only if it could be proved that domestic raw material production had reached the highest possible figures, could it be said as concerns the above mentioned figures that export has proved to be the most effective means of satisfying demands. But that is debatable, as is well known. I suppose I need not mention from whom came the initiative for the execution of this increase in production and I only want to point briefly to the work done in this field by the Reich War Ministry, the Reich Aviation Ministry, and by the delegate of the Fuehrer for Economy.

It is undebatable that the tasks set by the Fuehrer for the Four-Year Plan could not be fulfilled in time if the increase in German production in the Four-Year Plan had continued in the same manner, particularly at the same tempo as previously. First of all, at the beginning of the Four-Year Plan, there was lack of co-ordinated planning for the advancement of raw material production as well as for the development of German synthetic materials the handling of which was still in the first stages. Systematic general planning was first carried out by my office for German raw and synthetic materials. But even execution of perfected plans was unable to give satisfaction. In my efforts to do everything possible for the expansion of German production, I repeatedly sensed in your ministry the attitude that production was of little importance in comparison to foreign trade and for this reason, deserved correspondingly little help. In contrast to this I am able to state that the import savings resulting from the work of the office for German raw and synthetic materials will bring noticeable results in the year 1937, which will rise considerably in the year 1938. Therefore, it cannot be overlooked that the increase in domestic production started by me in the Four-Year Plan affords a very effective chance for the assurance of the independence of Germany as regards the procurement of raw materials. Furthermore, the German synthetic materials developed in this connection represent valuabale export articles, to a certain extent even today, and will continue to gain in importance in this respect.

This same restraint has also been observed by your house in the long drawn out negotiations on the increased production of German iron ore and, I believe, has fundamentally always been preserved. Despite this, certain plans were finally worked out after pressure was brought to bear by Keppler and, later, by myself.

This was the reason why I decided to undertake the preparation myself of the great national tasks of the absolutely decisively important German Iron Question with great effort. But it is not true that I had left you completely uninformed in this matter. I had previously made my ideas known to the Chief Superintendent of Mines and expressly commissioned him to inform you accordingly. With the founding of the new Reich plants the former plans will not immediately be frustrated or become pointless. On the contrary, we reserve the right to combine what had already been correctly planned and prepared in the past with the work which is to be accomplished in the future. I would welcome your energetic cooperation in the new system in increasing the German iron ore yield. I have already established contact with industry in order to request its cooperation in this matter; it told me that it was quite willing to cooperate. The necessary precautions will be taken to see to it that the development and direction of the work are kept within sensible limits and that economic principles are respected as far as possible.

In conclusion I should like to refer to remarks which you made in a paragraph of your letter entitled "the Four-Year Plan" about your general attitude toward my work in regard to economic policy. I know and am pleased that at the beginning of the Four-Year Plan you promised me your loyal support and cooperation and that you repeatedly renewed this promise even after the first differences of opinion had occurred and had been removed in exhaustive discussions. I deplore all the more having the impression recently, which is confirmed by your letter, that you are increasingly antagonistic toward my work on the Four-Year Plan. This explains the fact that our collaboration has gradually become less close. I emphasize therefore that, as before, I would be pleased if I could again count on your unlimited cooperation in reaching the goals set by the Four-Year Plan. These remain of course the same as long as the Fuehrer clings to them, who himself laid down the content and the execution of the Four-year Plan in the memorandum which is also known to you. It is right for the Fuehrer to recognize that in certain raw materials and foodstuffs Germany's independence of the rest of the world cannot be achieved in the near future, and we all know that the German people must continue to be fed and employed until that time. However, the Fuehrer did not draw the conclusion from this, that only the labor and material investments not needed elsewhere should be expended for the execution of the Four-Year Plan.

In agreement with the Fuehrer, on the contrary, I look upon my tasks in this light, that the Four-Year Plan permeates the whole economy and that in the interest of its fulfillment certain difficulties in the "advance of economy" must be taken into account insofar as Germany's survival is not affected. This is completely justified, because the Four-Year Plan, besides its importance for the security of Germany, will some day be of considerable value, especially to the economy. If you want to talk to me again about this and about the resultant form of the necessary collaboration between us, I am only too glad to be at your disposal.

After the representation thus far made I stress the following statements in order to avoid any misunderstanding:

At no time did I fail—and I should like to emphasize this once more here—to recognize fully and completely your great service in the shaping of our currency and finance, your support in important problems of economy. This recognition is in no way reduced by this letter. On the other hand, I had to clarify things as they appear from my standpoint and on the basis of my information.

Since you have transmitted a copy of your letter to the Reich War Minister, I will also send him a copy of this. I also have reported this to the Fuehrer and Reich Chancellor.

Heil Hitler!
Your
[unsigned]

The Adjutant of the Reich Minister of Aviation.

Berlin W.8,..............................
68-70 Behrenstrasse
Telephone: A2 Flora 0047
Telegram address: Reichsluft
Berlin

To: Miss Grolmann

1. Please send first carbon copy to Schacht
2. The second carbon copy is to be sent to Blomberg
3. The copy which is in your hands is yet to be corrected
4. Schacht's letter of 5 August 37 to General [Generaloberst] Goering to be filed.

[illegible signature]

TRANSLATION OF DOCUMENT EC-494

[Rubber stamp]
President of the Ministerial Council
General Goering
Zentralsekretariat
Rec'd. 10 Dec. 1937

The Reichsminister and Chief
of the Reich Chancellery

Berlin W 8, 8 December 1937
Wilhelmstr. 78

Top Secret!

RK. 366 B g Rs.

To the President of the Ministerial Council General Goering

My dear Mr. President!

I most respectfully submit, with the request for acknowledgment, the following copy of my letter of today to Reich Minister *Dr. Schacht,* concerning the office he held up to the present as Plenipotentiary General for the War Economy.

Heil Hitler!
Yours most respectfully.
(signed) Dr. Lammers

Copy of RK. 366 B g Rs.
The Reichsminster and Chief
of the Reich Chancellery

Berlin, 8 December 1937

Top Secret!

RK. 366 B g Rs.
To Reich Minister Dr. Schacht.

My dear Reich Minister!

By order of the Fuehrer and Reich Chancellor I have the honor of informing you that the acceptance of your resignation from the leadership of the tasks of Reich Minister for Economy also includes the resignation from your Office as Plenipotentiary General for the War Economy, which you submitted at an earlier date.

Special mention need not be made of the fact, that the thanks tendered you by the Fuehrer and Reich Chancellor at the time of your departure from the Office of Reich Minister for Economy also extends to your activity as Plenipotentiary General for War Economy.

Heil Hitler!
Yours most respectfully.
(signed) Dr. Lammers

TRANSLATION OF DOCUMENT EC-495

Copy

Berlin, 16 November, 1937

President of the Reich Bank
Dr. Hjalmar Schacht

My Fuehrer!
My dear Mr. Reich Chancellor!

At your instigation President of the Ministerial Council Goering asked me to attend a conference on 1 November of this year, which led in an entirely friendly manner to the working out of a series of proposals, which President of the Ministerial Council Goering promised to have presented to me in writing on the following day by his State Councillor Neumann, so that, after having reached an agreement, we could present a mutually approved text to you, my Fuehrer. This agreement, even though I repeated it to State Councillor Neumann on the next day, has not to this date been carried out by President of the Ministerial Council Goering.

Since the office of President of the Ministerial Council Goering in the meantime is interfering repeatedly with the authorities of the Reich Ministry of Economy, and since I as Reich Minister of Economy have been on leave of absence since the 5th of September of this year and it is not possible that the Ministry remain any longer without a chief, I should therefore like most humbly to ask you once more in the interest of a uniform government management for the carrying out of the release from the Ministry of Economy which was promised me.

It goes without saying that I am available, here or on the mountain, for an oral report at any time.

Thanking you cordially in advance I am

As ever your devoted
Dr. Hjalmar Schacht

To the Fuehrer and Reich Chancellor
Mr. Adolf Hitler
Obersalzberg

TRANSLATION OF DOCUMENT EC-497

The Reich and Prussian Minister of Economics

Berlin W 8, 5 Aug., 1937
Behrenstr. 43.

[Receipt stamp of central secretariat: Prime Minister General Goering, dated 6 Aug., 1937]

Prime Minister
General Hermann Goering
Berlin

Most honored Prime Minister!

Your ordinance concerning the union of persons authorized to carry on mining of 23 July of this year and your letter of 28 July of this year relative to obtaining foreign securities cause me to make the following statements of basic principles.

Supply of Raw Materials

When, on 2 August 1934, the Fuehrer and Reich Chancellor entrusted to me the leadership of the economic policies of the Reich, the expansion of German raw material procurement already played a decisive role. This was possible

1. By increased *domestic* production of raw materials,
2. By increased import of raw materials.

While I was in charge (that is, before the Four-Year Plan began to function) *domestic* production of raw materials from 1934 to 1936 was developed as follows:

		1933, tons	1936, tons	rise in %
[marginal note in pencil:]	Lead (from German ore)	52,000	60,000	15
PLEIGER ..... SCHEMATOS .	Zinc (from German ore)	106,000	130,000	23
	Aluminum	18,900	97,500	416
PLEIGER	Iron ore (home requirement)	2,550,000	6,812,000	167
	Iron ore (Fe-content)	928,700	2,140,000	130
PLEIGER	Anthracite coal	[1] 110	[1] 158	44
	Motor fuels and oils	915,000	2,039,000	123
KELSOL	Rayon	28,000	46,100	60
	Cellulose wool	4,000	46,300	1057

[1] Million.

The import of raw and semi-finished materials during the same period was increased from 26 millions to not less than 46 millions by the new trade policies inaugurated by me. It is already evident from this comparison that the more rapidly effective chance for an increase of our raw material supply lay in foreign trade. This was taken cognizance of by me through a transfer of our export to countries supplying raw materials and by suitable management of the accounting system with a view to avoiding cash payment of foreign exchange. In conjunction with the increase of *internal* production of raw materials, which naturally could only take effect more slowly, it was important that a disturbance of the capital market as well as of the labor market should be avoided. Prerequisites for the success of rearmament were, on one hand, stable wages and prices and, on the other hand, concentration of all profits and savings toward financing the Reich. Therefore, by the initiative of my ministry, the particular powers of private industry were harnessed for the increase of domestic raw material production.

Financing of Armaments.

The greatest possible commitment of industry to self-financing and the central supervision and exploitation of the money and capital market for the tremendous requirements of armament have made possible the maintenance of German currency up to now. The confidence of savings investors in the stability of our money value has even permitted a not inconsiderable part of the financing to be undertaken by long-term national loans. A threat to this policy arises from wages which are already experiencing considerable increases in numerous regions and plants due to the unregulated competition of the construction and armament industries for the labor market, which has led to a price-elevating increase in the use of everyday consumer goods.

The Food Situation.

An aggravation of the currency and raw materials policy has arisen from the agricultural sector. Contrary to the oft-repeated public affirmations of the competent government agencies the food situation of the German people is becoming constantly less satisfactory. In the years 1933–1936 the harvest steadily declined. Counting potatoes along with grain, the average harvest proceeds for the years 1931/33 were about 34.7 million tons and for the years 1934/36 only 32.8 million tons. The figures based on a three-year average make it quite evident that it is not merely a matter of unfavorable weather conditions. Far rather it is the agrarian market and production policies which have failed. Besides, the agriculturally useful land surface has decreased 2.1% in the period 1933–1936, the tillable surface for grain even 4.1%, due to the numerous uses of land for other purposes, such as by the Wehrmacht, for factory sites, sports, highway construction, etc. The efforts of the Reich Food Commission for a decreased dependence on foreign countries have therefore had no success; rather this still increases because of the growth of the population and the increase of consumption. The harvest estimate with reference to bread and feed grain for the current year is again 800,000 tons less, compared to the previous year. The foreign currency requirements for food purposes have therefore, despite all production battles, not grown less but rather increased. It is particularly regrettable that the food sector has repeatedly been the victim of miscalculations which have not only seriously impaired our foreign currency reserves but also destroyed opportunities for trade policy negotiations by the sudden need for importing certain foodstuffs.

Trade Policies.

In spite of this, trade policies have shown themselves to be the only favorable factor, even in the realm of food.

In 1934, when I took over the Ministry of Economics, German exports amounted to 4,167 million RM. They rose to 4,270 million RM in 1935, 4,768 RM in 1936, and to 2,711 million RM for the first half year of 1937 (compared to 2,242 million RM in the first half year of 1936). Whereas I was faced with an import surplus of 284 million RM in 1934 my first year in office, this unfavorable balance changed as early as 1935 into an export surplus of 111 million RM, which increased further in 1936 to 550 million RM, and to 192 million RM for the first half of 1937 (as against 131 million RM for the first half of 1936). In this way, funds were procured not only for the enormous increase in our importing of raw materials but also for the supplementation of our food supply from abroad.

Foreign Debts.

Trade policies are further complicated by the foreign debts contracted during the Weimar period (Systemzeit). Following the announcement of our moratorium, in the summer of 1933, the creditor nations made repeated efforts to exact the interest from us by applying pressure through commercial policies. By means of constantly renewed negotiations, more severe trade pressure against us has been averted; in fact, we even succeeded in the course of time in materially lowering with the consent of various countries the rate of interest owed them, which according to the agreements averaged 6%. Our trade policy is always exposed to the danger of serious injury, however, should we become unable to transfer at least these reduced sums of interest abroad. A further hindrance to our foreign trade lies in the fact that in clearing transactions with countries furnishing raw materials and food products we have bought in excess of the goods we were able to deliver to these countries (namely Southeastern Europe and Turkey) roughly ½ billion RM. These countries hesitate, therefore, to make further deliveries to us as long as this balance can not be taken care of. Furthermore, a number of countries are raising difficulties because we are no longer in a position to furnish them certain raw and semi-finished materials which we urgently need for our own use.

Four Year Plan.

The Four Year Plan was intended to help relieve all these difficulties. The aim and the idea of the Four Year Plan were and remain entirely correct and necessary. It stands, essentially, for the application of increased energy to the efforts already undertaken by my ministry since 1934 with the results shown in the above statistics. As you will remember, I welcomed it when your energy, my dear Prime Minister, was recruited by the Fuehrer for these tasks, and from the very beginning I gave you my most loyal support and cooperation, with the particular plea that I be given a hearing from time to time, since I believed that my more than thirty years of experience in economic life, half of them in public service, could be of value to you. I can only regret that you have made so little use of my offer. I have of course promised the Fuehrer and Reich Chancellor my fullest cooperation likewise, at the same time drawing to his attention the fact that the investment in materials required under the Four Year Plan for the current provisioning of our industry, and thereby for the tempo of our industry, and thereby for the tempo of our rearmament, must result in raw material shortages. In regard to this the Fuehrer directed: "One does just what one can." This directive means that the work performed and the material investment made in the carrying out of the Four Year Plan should not be in excess of what is consonant with the course of our economy. (Marginal note: Fuehrer Memorandum). This is what determines the limitations of the program and the scope and tempo of the Four Year Plan. The Fuehrer has recognized, at all times, that Germany cannot be made independent of foreign sources for certain raw materials and especially for food within the foreseeable future and that all efforts toward that end must require a considerable length of time, even if they had prospects of success, during which time the German people must continue to be fed and employed. This has impelled me to cover the deficiencies through my foreign trade policy. [Interlineal note: Neumann].

Increasing of Exports.

In the meantime, I have repeatedly stressed the need of increased exports and have worked to bring it about. The very necessity of bringing our armament up to a certain level as rapidly as possible must place in the foreground the idea of as large returns as possible in foreign exchange and therewith, the greatest possible assurance of raw material supplies, through exporting. On the other hand, the undue claims made upon our industry by domestic orders are naturally prejudicial to the willingness to export. I have urged again and again that industrial exports *be* increased and that exaggerated demands should *not be* made upon industry in the placing of State orders, but I have never received proper support from your staff, although I realize that you yourself have repeatedly taken the opportunity to support my standpoint. I have indicated above to what degree the Ministry of Economics has succeeded in increasing exports and, also, therefore, raw material imports. The prospects for a further increase of exports are not unfavorable. But the undue drain upon raw materials, as well as labor resources, for public construction projects, rearmament, and the Four Year Plan, threatens, in spite of the favorable chances, to bring about a decline in our exports, a decline already apparent here and there. I want to point out quite clearly that, if the foreign currency [Devisen] which we receive from export becomes less, the necessary result is that the import of raw materials must become less and more gaps must appear in the supply not only of building activity and armament but also, of course, of the Four Year Plan.

Warnings.

This view of the economic situation which I have explained above, I have held from the first moment of my collaboration. I have never tired of pointing out the dangers which result for Germany from this situation.

On October 18th, 1934 (a few weeks after I had taken over the Ministry for Economics), in a discussion under the presidency of the Fuehrer and Reichschancellor, I, for the first time in a responsible position, pointed out there the large gap between our assets in foreign currency and our requirements of foreign currency and explained the critical situation of our raw material supplies and foodstuffs. In the beginning of May 1935, I presented two memoranda to the Fuehrer in which I pointed out the necessity of the careful nursing of our commercial relations with foreign countries as well as the necessity for a unified financial control at home, if the rearmament program was to succeed. Later on, I considered it my duty to point again and again, on every occasion, to the economic limits which are imposed upon us by our raw material and foodstuff potentials. I have never made a secret of the fact that I considered and still consider our agrarian policies inadequate. You and other gentlemen were present, when I reported to the Fuehrer in November 1935 the exact statistics especially about our situation with respect to foreign currency, and already then I stated that at least 250 million Reichsmarks in foreign currency were lacking for the period alone from October 1935 until March 1936 for carrying out the program at that time. The same calculations have been repeated by me at many occasions later on.

Foreign Currency Situation.

While our main objective, accordingly, had to consist of increasing the current income of foreign exchange through export, at the same time increasing our domestic raw materials, you, my dear Prime Minister, as one of your first measures after the execution of the Four Year Plan had been assigned to you by the Fuehrer, ordered the seizure of foreign bonds in German possession, as well as the speedy collection of German merchandise credits and the conversion into cash to the greatest possible extent of German interests abroad. You have thereby undertaken an encroachment on capital elements, the interests and dividends of which furnished a regular revenue in foreign currency, that is now missing in our current receipts of foreign currency. The objections which were made from foreign economic reasons on my part against coercive measures in the field into which you had entered could, indeed, have been avoided with your approval by conducting the whole project in private negotiations on the part of the Reich Bank. However, my fundamental objections were not removed, namely, that this last foreign currency reserve of the German people should not be used unless a real emergency should arise (famine, political conflicts or something like that). It was and is an unbearable thought for me to have to face such an economic or political risk without any reserve of gold or foreign currency. The total amount of foreign currency produced by this special project is about ½ billion Reichsmarks and has in the meantime has been completely spent. I should like to point out especially that it has not been used for the purposes of the Four Year Plan, but for the current import of raw materials and foodstuffs in order to maintain our nutrition and our industrial employment as much as possible.

Your Suggestion of July 28th, This Year.

You now also want to seize and use up the balance of the foreign securities which have not yet been collected. Here I must again give even stronger expression to all my earlier objections concerning the psychological effects of a seizure by force (counter measures abroad, exposure of our critical situation, shaking the confidence of even national security owners etc.). Since it is obviously far from my intention to hinder your decisions, I have ordered the Reich Bank to put the technical material for the execution of your project at your disposal. But I want to express clearly that I must refuse to take any responsibility for these policies. I consider it especially irresponsible, in every respect, that such last reserves are being used up, without supplying any other provisions for emergencies in coming years, and before the results of the Four Year Plan have actually become evident in a practical way.

Extraction of Iron Ore.

I now come to your order of July 23rd of this year, my dear Prime Minister, and state that this new project has ensued, without your having consulted with me, at all. I furthermore state that this project encroaches upon my own projects about which your office has been instructed in detail by my officials. According to that, the first ore extraction plan which is known to you has been more or less fulfilled. This plan was in effect up to the end of 1936 and was agreed upon by the owners of the mines and the mining department of my Ministry. After that, the owners of the mines had promised an increase of the production which up to a short time ago came close to the figure your office requested. The greatly increased demands recently made by you were not discussed with me at all. The company never lacked readiness to do the utmost in order to promote iron ore production. If the point of view of economy is to be eliminated, the plant would even then still be substantially more economical if operated by the company itself, namely by utilizing its already existing installations and equipment together with a subsidy from the State, than if the entire plant were to be newly organized by the Reich at its expense.

The Question of Costs.

That brings me to the question of cost. Lacking more detailed information from you, I must limit myself to the statement that your proposal would obviously entail the expenditure of many hundreds of millions of Reichsmarks, for which, according to information furnished me by the Reich Ministry of Finance, no financial provisions exist as yet. I can claim for myself that, for the tasks of the Four Year Plan also, I have not refused my cooperation in the field of financial policy within the limits of reason. I recall that I not only financed the first plants of the Lignite-Gasoline, Inc. [Braunkohle-Benzin A.G.], which were constructed three years ago, but that I have also taken care of the financial aspects of the many plants, now in the process of construction, for extracting gasoline from lignite as well as from anthracite coal, and of the new electric power plants, and the enlargement of existing ones. But I am not in a position to raise the financial means for projects, the effectiveness of which cannot be anticipated any more than their extent, or the length of their period of productivity. To make banknotes and ledger credits available does not mean that raw materials and foodstuffs are simultaneously made available. With paper one can neither bake bread nor cast guns. Investing raw materials and manpower in new enterprises on the scale planned by you must cause a further reduction of raw material allocations to those factories working for export or producing consumer goods for the people. The scarcity of a good many consumer goods is already making itself felt in public life today. It cannot be eliminated by increasing the amount of money or credit in circulation. If the output of consumer goods diminishes while the amount of money and credit increases, the inevitable consequence is an increase in the price of consumer goods and devaluation of the currency, leading eventually to inflation.

Concluding Remarks.

I ask you to believe me, my dear Prime Minister, that it is not my intention at all to wish to impede your policies in any way whatsoever. I offer no opinion, either, whether my views, which deviate from your economic policy, are correct or not. I have full sympathy for your activities. I do believe, however, that in a totalitarian state it is wholly impossible to conduct an economic policy divided against itself. You will recall that already months ago I stated to you that uniformity of economic policy is indispensable for its success, and that I suggested that you have the Reich Ministry of Economics transferred to you. I have explained above that I believe your foreign exchange policy, your policy regarding production, and your financial policy to be unsound, and that I am not in a position to share the responsibility for them. The fact that you constantly intervene with the policies of the Ministry of Economics in all these fields, must, however, create the impression that I also advocate these policies of yours. This has now openly become a matter of debate because of your Mining Ordinance, since the Mining Administration is subordinate to me in all its parts. It is wholly untenable to give the economic groups affected thereby, who ask my opinion of your ordinance, an opportunity to allege contradictions within the economic leadership of the Reich Cabinet. For that reason I have today given a report to the Fuehrer and Reich Chancellor.

I remain, with greatest esteem and with Heil Hitler!

Yours most sincerely
(sgd) Hjalmar Schacht

PS: The Reich Minister of War will receive a copy of this letter.

PARTIAL TRANSLATION OF DOCUMENT EC-498

FRANKFURTER ZEITUNG
16 June 1935

Schacht in Danzig

President of the Reichsbank Dr. Schacht replied, among others:

For me, too, it is a pleasure and a satisfaction that today I am able to realize my long-intended visit to Danzig. The Reichsbank has the greatest faith in the circumspection and energy with which the policies of the Danzig Bank are carried out. Due to historical errors of the greatest extent, which were beyond the control of the German people, you and your institution got into difficulties which need a particularly strong hand. You are only in a position to show this strong hand if the Danzig Government demonstrates, together with you, the firm will to master by yourselves the fate of Danzig's currency. I am glad that this will is existing, and I regard this close cooperation as a sure guarantee that you will overcome the present difficulties to the fullest extent. In a period during which much stronger systems suffer from the currency situation of the world, you can not consider it a blemish upon you here in Danzig if you have not been able to avoid similar difficulties in your little Free State. You will demonstrate in the same manner as the German Reich has proved, that the German will to existence is master over any difficulties. We Germans in the Reich today are looking with fullest confidence upon our comrades in the Danzig Free State and maintain our people's fellowship with the interests, wishes and hopes of this territory which has unfortunately been separated from us.

TRANSLATION OF DOCUMENT EC-499

VOELKISCHER BEOBACHTER
21 January 1937.

Dr. Schacht 60 Years Old

On 22 January the Deputy Reich Minister for Economics and President of the Reichsbank, Dr. Schacht, will be 60 years old.

Dr. Schacht's career commenced in the Dresdner Bank, of which he already was a Deputy Director at the age of 32. During the initial months of the World War he was the Adviser on Questions of Financial and Currency Policy in the Banking Section of the German Government-General in Belgium. In 1916 he became leading member of the board of directors of the Nationalbank von Deutschland, which became prominent among the big banks as the "Daermstaedter und Nationalbank" after its merger with the Daermstaedter Bank.

When currency policy was being discussed during the years of inflation, when it was discussed whether Germany should return to the gold standard or create a national internal currency, Dr. Schacht ranged himself with the adherents of the gold standard. At the end of 1923 he became, at first, Currency Commissioner, and thereafter, on 22 December 1923, President of the Reichsbank.

Many National Socialists still remember this period when Dr. Schacht first became president of the Reichsbank. Dr. Schacht's merit, in taking steps against exaggerated use of foreign short-term credits and the financing of public agencies—especially of the municipalities—with foreign funds, is indisputable. When it became clear, after acceptance of the Young Plan, that the government of the Republic would waive some of the few rights that had still been granted to Germany, Dr. Schacht resigned from his office as President of the Reichsbank.

Schacht recognized that under the old system no salvation for Germany would be possible. In this critical period Schacht never failed to point at Adolf Hitler as the only possible leader of the Reich. On 12 March 1933 Adolf Hitler entrusted Schacht with the office of *President of the Reichsbank,* and in 1934 with that of *Deputy Reich Minister for Economics.* Dr. Schacht has devoted himself to his work with extraordinary diligence, extensive professional knowledge and energy, and he has *mastered the difficult problem of safeguarding the currency,* which was and is the prerequisite for reconstruction.

The name of Dr. Schacht will remain linked with the transition of the German economy to the new National Socialist methods. The service which Dr. Schacht has rendered in taking care of our indebtedness abroad is very great; thanks to him, our work of reconstruction could at least not be hampered from that direction. Through the "New Plan" Dr. Schacht has also completed the adaptation of German commercial policy to conditions that prevailed because of the disruption of world economy. While he was in charge of the Reich Ministry of Economics, unemployment disappeared, the value of German currency was preserved and the rate of interest was lowered. In spite of enormous public works the public finances are in good order. Dr. Schacht has been in the forefront of those who have cooperated in bringing about the German economic boom characterized by these data.

Because of that his work has also contributed toward laying the foundations which are now aiding Hermann Goering in carrying out the Four Year Plan. Hermann Goering has confirmed the fact that he is also building on Dr. Schacht's work, by thanking him during the big meeting in the Sportpalast on 28 October.

The Four Year Plan has charted an entirely new course for German economic policy. It is emerging from the period of preparation and advancing toward the Socialistic expansion of the economy. Dr. Schacht is working side by side with the men who, under the Commissioner of the Fuehrer, are primarily active in implementing the Four Year Plan. At any rate, the period of preparation in the field of economic policy is characterized by his name just as much as the period of the Four Year Plan, and the beginning of Socialistic expansion, will be designated by the name of Hermann Goering.

TRANSLATION OF DOCUMENT EC-500

FRANKFURTER ZEITUNG
9 February 1937

A Proclamation by Dr. Schacht
on the occasion of the Presentation of the Golden Party Badge

On January 30, 1937, the anniversary of his assumption of power, the Fuehrer and Reich Chancellor has presented me, together with the other (Cabinet) members who did not yet belong to the NSDAP, with the Golden Party Badge. The presentation of the Golden Badge of the Movement is the highest honor the Third Reich has to offer. In honoring me as the head of the Reichsbank and the Reich and Prussian Ministry of Economics, it honors at the same time the two agencies which I am directing as well as the work of all those officials, employees and workers functioning in these two agencies. I know that whatever I have been able to contribute to the work of the Fuehrer has been supported by the devoted and conscientious cooperation of all members of the Reichsbank and the Reich and Prussian Ministry of Economics. The distinction honoring me constitutes at the same time a distinction and an honor for them. I thank all my colleagues among the ranks of officials, employees, and workers for their faithfulness in the performance of their work, and appeal to all of them further to devote, with all their hearts, their entire strength to the Fuehrer and the Reich. The German future lies in the hands of our Fuehrer.

BERLINER TAGEBLATT
21 April 1937, Page 98.

The Economic Development
An Inaugural Speech by Dr. Schacht

On the occasion of the Fuehrer's birthday and of the simultaneous inauguration of the new Hall of Honour in the Economic and Labour building of the Reich- and Prussian Ministry of Economics and of the Reich- and Prussian Ministry of Labour, Dr. Schacht, Reich Minister of Economics and President of the Reichsbank, delivered a speech in which he gave a survey of the National-Socialist developments in the spheres of national economy and currency. The ceremony was attended by all fellow-workers at both Ministries, Reich Labour Minister Seldte, the creator of the new Hall of Honour, as well as by all the workers who had been engaged in the construction of the new hall. Reich Minister Dr. Schacht stated among other things:

We are met together here to remember, with respect and love, the man to whom the German people entrusted the control of its destiny more than four years ago. Today, our Fuehrer, Adolf Hitler, upheld by the veneration of a whole nation, completes the 48th year of his life. The last 18 years of this life were dedicated to one single aim: the revival of the German people, the restoration of its freedom, its honour and its wellbeing. These 18 years were full of strife and trouble, of suffering and care, but also full of success and proud happiness. With the limitless passion of a burning heart and the infallible instinct of the born statesman, Adolf Hitler has won for himself the soul of the German people in a battle fought for 14 years with unswerving consequences. Hitler has stood at the very head of the German Reich for more than four years, called upon by the people and upheld by the inner, constant trust of the whole nation.

This unshakeable belief of all Germans in their Fuehrer gives an increased power to Hitler's decisions, brought about by the indomitable will of a strong and resolute people of seventy millions; it gives the Fuehrer again the power to bear the responsibility of the destiny of the German Reich. Only the closest collaborators of the Fuehrer know how difficult is the burden of this responsibility, how sorrowful often the hours during which decisions have to be made which bear upon the well-being and the fate of Germany. What brilliant successes the Fuehrer's well thought-out policy has achieved, is, of course, no secret to anyone.

Labour and Industrial Peace

I do not wish to speak, on this occasion, of the successes of this policy in the sphere of domestic and foreign policy. As Minister of Economics and President of the Reichsbank, I am more competent to throw some light on the successes of the National-Socialist policy in the sphere of national economy and currency. Here also, great things have been achieved. The national economy that the Fuehrer found extant at the time of the assumption of power was practically bankrupt and was hardly able to keep even two-thirds of those capable of work in employment. With a few notable exceptions, there was a complete lack of understanding between employer and employed.

We have put an end to the nation-destroying plague of unemployment, and have enabled nearly all those willing and able to work to earn wages and bread. We have restored the profitableness of economic undertakings. We have introduced industrial peace into national economy and have imbued it with a new economic conviction, which regards owner and workers as equally useful members of the industrial community and as having equality of rights; which considers economic work as primarily a service to the whole people and adapts all economic measures to the great aims of state leadership. All this has been achieved by the principle of the recognition of free enterprise, without which no national economy and no cultured nation of the 20th century can exist.

German banking, at the time of the change, was also in an unenviable condition. The after-effects of the crisis of '31 had in no way been overcome, the loan banks were not yet able to dispense with support from the Reich and the Reichsbank. The restoration of national economy, which started during the following years, and the beginnings of the recovery of economic activity gave the loan banks the opportunity of covering their crisis liabilities to the Reichsbank, of writing off the crisis losses and of creating a new profit basis. The restoring to private circulation of the shares of the big banks which had been taken over by the public authorities, has already made considerable progress. Finally, it is of quite exceptional significance that, by the Reich law concerning the credit system, the competent Reich organizations—the Reichsbank, in particular—are afforded sufficient opportunities, by means of the Credit Supervisory Office, of supervising the management of the banks and in particular of ensuring that, in the management of the banks the general economic interests and particularly the political requirements as regards currency are taken sufficiently into account.

The consequent policy of the capital market

Four years ago, the capital market was completely stagnant; the interest on capital was unbearably high. It has been possible for us, by means of organization, to lower the rates of interest to a reasonable level and to free the capital market from its lethargy. A meticulous control of the capital market made possible the utilization of newly acquired capital primarily for the urgent loan requirements of the Reich which resulted from the heavy special expenses in connection with the creation of work and later with the restoration of Germany's military power.

It has thus already been possible to consolidate a considerable sum, running into milliards. The method, followed up to the present, will, nevertheless, still have to be employed for years—with a careful probing of the existing capabilities of the capital market—until the total special expenditure of the Reich is finally settled.

In past years a not inconsiderable portion of this special expenditure must temporarily have been financed in advance over a short period. That has, in many instances, been misunderstood abroad and has led to the assertion that our currency policy is unsound. I have refuted this assertion too often to need to deal with it again in this company. The whole "secret magic trick" of our advance financing consists simply in the fact that we draw on any resources of the money market which are at the time lying idle for the advance financing of the exceptional Reich requirements, so that the Reichsbank, by its coverage, replaces the currency reserves which it sacrificed to Germany's foreign creditors, by special withdrawals, and, with the great fluctuation of the money market, can replace private discounts to a great extent by these special withdrawals. The decisive factor in currency policy is that, in spite of special discounts, it was possible for the Reichsbank, in cooperation with the Reich Government, to prevent the payments in actual cash and assets from rising above the level necessary to exceed the increased value of goods. Any further increase in the circulation of money would moreover mean inflation. Our whole currency policy is based, however, on keeping the wage- and price-levels, and therefore the purchasing power of our currency, stable.

Stable currency in spite of opposition from abroad

Our chronic lack of foreign exchange will not alter this in any way, although, in the next few years, it will hardly cause us less trouble than in the period following the 1931 crisis.

The achievements of the National-Socialist state in the field of currency policy are easily underestimated, since, according to the nature of the situation, it has been, up to now, not so much a question of creating something obviously new, but more of counteracting with all our might a deterioration of existing conditions. What we have achieved in this connection can never be rated too highly. We are the only one of the greater nations to have succeeded in maintaining the parity of our currency unchanged. Over and above this, we have paid back considerable amounts of our foreign debts in the last four years, although, God knows, foreign countries have not made it easy for us. On the contrary, foreign countries—however paradoxical it may sound—have attempted to hinder the payment of debts as far as possible, by prohibitive duties and quotas, by allowing a boycott policy to flourish. All this has forced us to make our foreign currency laws even more severe and to change our foreign trade policy radically. The success of the new foreign trade policy will be significant if one considers the trade balances of the last few years.

A disentanglement of the currency chaos of that time is unthinkable so long as no reasonable adjustment is made regarding international debt, international economic relations and the distribution of raw materials. We have time and again declared that we are ready to co-operate as far as possible in a reasonable adjustment such as this, but so far—apart from purely platonic expressions of agreement—this proposal has met with no support.

For the time being, therefore, we have only our own forces to fall back upon. We have drawn our conclusions from this knowledge and have set up the Four Year Plan which is to lessen the existing shortage of foreign raw materials. While it is in operation, the new Four Year Plan must exact some discomfort and also some sacrifice from the national community—the construction of new works, indeed, requires a temporary increase in the use of foreign currency—we can, however, already foresee that very soon it will contribute considerably to the easing of our trade balance. When, after the second of the four years has passed, the German people assemble for the ninth time since the assumption of power to celebrate the birthday of their Fuehrer, a great part of the difficulties that are now still facing us will happily be overcome.

This is the historical background behind the celebration for which we have gathered here today. The Reichs Haus of Labour and Economy is holding a small domestic celebration at the same time as the Fuehrer's birthday, the inauguration of the Hall of

Honour in which we are assembled today for the first time. With the Hall of Honour, so-called in honour of the Fuehrer, our house receives a worthy abode, in which all of us who are connected by a common profession can foregather on the nation's festivals and days of remembrance in order to spend them together.

TRANSLATION OF DOCUMENT EC-502

FRANKFURTER ZEITUNG
19 January 1936

In Germany There is Only One Economic Policy
Dr. Schacht speaks against theoretical discussions

In the rooms of the Chamber of Industry and Commerce at Stettin an inaugural assembly of the Economic Chamber of Pomerania took place. The President of the Reichsbank, Dr. Schacht, appeared among others. In his address he emphasized that economic policies did not depend upon theoretical discussions, particularly since everybody usually maintains different concepts on technical expressions. In connection with this, the Minister of Economics mentioned the impression repeatedly voiced abroad about alleged differences of opinion among the Fuehrer and his collaborators. Fortunately there exists in Germany only one policy and one economic policy, namely that of Adolf Hitler; to work with him and for his goals is the highest satisfaction for every member of the people's community.

PARTIAL TRANSLATION OF DOCUMENT EC-503

FRANKFURTER ZEITUNG
5 March 1935

Schacht Speech at the Leipzig Fair

My so-called foreign friends don't render any services to me or the cause, which they don't want anyway, of course, but not even to themselves, if they try to construe a contract between me and the allegedly impossible economic theories of national socialism and represent me as a sort of guardian of economic reason. I assure you that all that I am doing and saying enjoys the absolute approval of the Fuehrer and that I would never do or say anything that does not have his approval. Not I but the Fuehrer is the guardian of economic reason.

TRANSLATION OF DOCUMENT EC–560

War Diary of Armament Inspectorate, Belgium
1 January 1941—31 December 1941

21 January 1941:

By virtue of a conference between the Armament Inspectorate and the Administration and Economics Department of the Chief of Military Administration concerning the *legal grounds for a removal and sale of fixed aggregates of local factories,* the OKH (Supreme Command of the Army) is informed that although there are no technical objections against a removal of the furnaces, the removal might be done only then if the French firm is willing to sell the electric furnaces. At the present moment there are no legal means to compel the French firm to sell the furnaces. (See entry of 11 Dec. 1940.)

At the same time the OKH is informed by the Armament Inspectorate that the legal grounds for the removal of the press machinery of the firm Poudreries Reunies de Belique, Baelen, demanded by OKW with teletype of 17 December 1940, are the same as with the removal of the electric furnaces in Boulogne as this case also is a matter of fixed aggregates.

TRANSLATION OF DOCUMENT EC–604

The Military Commander in Belgium and Northern France
M.V. Ch. Wi VIII/1997/42

Brussels, May 1, 1942

Herr President:

The Commissar with the National Bank of Belgium has informed me that there exist at the Emission Bank in Brussels erroneous concepts of the extent and effects on the Emission Bank in Brussels, of his rights to issue directives in his capacity of commissar with the National Bank of Belgium. This offers me an occasion for the following clarification:

The right to issue directives is based on Section 3 of my decree on the Emission Bank in Brussels of June 27, 1940. In applying this right, the commissar acts by my orders as holder of the executive power. Non-compliance with this directive would constitute a failure to obey one of my decrees and would result in the corresponding consequences. A directive from the commissar, therefore, is compulsory for the receiver of the directive who thereby is relieved of all personal responsibility. Information on the basic reasons for the directive or their justification by the commissar is out of question.

Moreover the claim made to the Commissar that the Emission

Bank is entitled to ask in every case for detailed explanation of clearing payments coming from Germany is incorrect. The clearing arrangements between Germany and Belgium are not regulated by an agreement but have been regulated unilaterally by my proclamation of July 10, 1940 and are not subject to any Belgian control. Inter alia the transfer of all payments which have been specially authorized by the Reich Ministry of Economics has been expressly permitted. Since every payment from Germany to Belgium as well as to other countries has to be authorized either by the Reich Ministry of Economics or by its order by a Currency Control Office [Devisenstelle], all such payments fall under this category "according to the special information" ["laut besonderer Mitteilung"]. They must be carried out and no information on the basis for these transfers may be requested.

Respectfully yours,
(s) von Falkenhausen
General of the Infantry

To Mr. Albert Goffin
President of the Emission Bank in Brussels
Brussels

TRANSLATION OF DOCUMENT EC–605

The Commissar with the Emission Bank in Brussels
Tgb. Nr. 4866 / 42 XIII f

Brussels, Oct. 29, 1942

Herr President:

Pursuant to orders of the Chief of Military Administration [Militaerverwaltungschef] I have the honor to present to you herewith his letter of Oct. 29, 1942 Nr. 4866/42 XIII f, referring to section 3, second paragraph, last sentence of the decree on the Emission Bank in Brussels of June 27, 1940, and the letter of May 1, 1942—No. VIII 1997/42 addressed to you by the Military Commander.

Respectfully yours,
(s) von Becker

To the President of the Emission Bank in Brussels
Mr. Albert Goffin,
Brussels

The Military Commander in Belgium and Northern France
Brussels, Oct. 29, 1942
Chief of Military Administration
[Militaerverwaltungschef]
Group: Wi VIII Az: 4866/42 Hfr / SF

In yesterday's meeting the gentlemen received by me had an opportunity to elaborate upon proposals and suggestions for a solution of the questions which had been raised by the Emission Bank in Brussels with regard to the payment of global transfers through the German-Belgian clearing. The Military Administration will soon, in consultation with experts of both sides, examine if and how far the wishes of both parties can be complied with.

Independently from this and before this, the Emission Bank must immediately start business with the Armed Forces Clearing Office [Wehrmachtverrechnungskasse] which has been established a military agency by order of the Military Commander [Militaerbefehlshabers] in Belgium and Northern France, and must immediately disburse the already existing global clearing transfers amounting to approximately 60 million RM.

You are directed to comply with the above request by 4 p.m., October 30, 1942.

As already explained in the letter of Sept. 29, 1942 No. 4289/42 to Secretary General Leemans, old lists of the AWG covering the past cannot be furnished for recent reasons of superior military importance.

The agreement of May 5, 1942 on the disbursement of global transfers in the German-Belgian clearing, in principle remains in force, with the modification however that all global transfers have to be channeled through the Armed Forces Clearing Office and can be justified with lists only by it, and not by the German receiving agencies [Bedarfstellen]. Moreover for the further handling of the global clearing transfers within the framework of the agreement of 5 May 1942, the following possibilities exist which are still to be discussed.

a. A fixed monthly amount of 40 Million RM-500 Million bfrs. of the global transfers to the Armed Forces Clearing Office will not be justified. In future the Armed Forces Clearing Office will transmit monthly lists for 90% of the amounts received in excess over the above sum. Therein it will be attempted to justify fully the amounts disbursed. Moreover, the attempt will be made also in regard to the monthly free amount of RM 40 million, which in principle does not have to be justified by lists, to supply the Emission Bank with the names of the Belgian sellers of merchandise, the amounts to be paid out to them and the kind of merchandise concerned in the deals.

b. As already discussed in the negotiations which led to the agreement of May 5, 1942, German military agencies [Dienststellen] are currently purchasing in the country certain quantities of merchandise which are not consumed in Belgium itself but are shipped abroad by the agencies. The Military Administration [Militaerverwaltung] had arranged that the sums spent for these purposes should be paid back through the German-Belgium clearing. The competent Belgian authorities, however, refused to accept them, so that these amounts must continue to be paid out of the occupation costs. Were these expenses paid thru the clearing, the Armed Forces Clearing Office might justify at least 90% with the lists in the customary form. The monthly free sum of global transfers would then be reduced by this amount which would be justified by lists.

Will you please communicate as soon as possible your attitude to the proposals *a* and *b*, so that the further discussion of technical details can be transferred to the experts of both sides.

If neither proposal is carried out, the expenditures concerned could be financed only by a corresponding increase of the occupation costs.

Copy of this letter has been received by Secretary General Plisnier.

For the Military Commander [Militaerbefehlshaber] in Belgium and Northern France
The Chief of Military Administration [Militaerverwaltungschef]
(Sig.) Reeder

To the President of the Emission Bank in Brussels
Mr. Albert Goffin
Brussels

The Chief of Military Administration [Militaerverwaltungschef] has ordered me to inform you of the following:

The requested extension of time for the resumption of business relations with the Armed Forces Clearing Office [Wehrmachtverrechnungskasse] and for the payment of the arrears of RM 60 million has been denied. An official will determine tomorrow at 10 a.m. whether payment has been made.

Most severe measures against you and all responsible parties must be expected in case of failure to pay.

If acts of sabotage occur on the equipment and the values of the National Bank or the Emission Bank, you and the gentlemen designated on the enclosed list will be held responsible personally and with all your property. Your liability is a joint one.

You have to inform us before 1900 hours today that all equipment of the bank and the assets of both issue banks, including the banknotes printing press, are in good order.

The list of the gentlemen concerned follows:

Mr. Albert Goffin
Jules Ingenbleck
Pierre Berger
Jean van Nieuwenhuys
Henri Sontag
Thomas Basyn
Paul Baudewyns
Paul Bastine
Georges Pirsoul
Emile Robin
Pierre Aussems
Fernand Simonart
Arthur Bovyn
Henry Jambers
Pierre Kauch
Georges Dussar
Francois Cracco
Raoul Librk
Jean Vincent
Pierre Verhoeven
Emile Charles
John van Kessel
Raoul Hames
Leon Orbecq

Furthermore the manager of the Antwerp branch and all managing agents of the branches in the provinces.

TRANSLATION OF DOCUMENT EC-606

Chief Wi Rue Amt

Berlin, 30 January 1940

Minutes
Concerning conference with Field Marshal Goering
at Karinhall 30 January 1940

Present: Lt. Col. Conrath, for a time.
Dir. Lange, Ec. Group Machine Building

[handwritten remark]
"Written by Officer!"
[initialled by Thomas]

Field Marshal Goering told me in the beginning that he had to inform me of the intentions of the Fuehrer and of the economic measures resulting therefrom. He stated:

The Fuehrer is firmly convinced that he will succeed in reaching a decision of the war in the year 1940 by a big attack in the west. He reckons that Belgium, Holland and Northern France will get into our possession, and he, the Fuehrer, had figured out the industrial areas of Douai and Lens and those of Luxembourg, Longwy and Briey could, from the point of view of raw material replace the supplies from Sweden. Therefore, the Fuehrer had decided now to make use of our reserves of raw material without regard to future times, at the expense of incidental later war years. The correctness of this decision is fortified with the Fuehrer by the conception that the best way of building up of stocks is not the building up of stocks of raw material but of ready made war material. Furthermore one must keep in mind, that—if the air war had begun—also our factories might be destroyed. Furthermore the Fuehrer is of the opinion that it is the main thing to reach maximum efforts in the year 1940 and that one therefore should put aside programs giving results only later in order to accelerate those giving results still in 1940.

For our work, therefore, the decision follows to exploit everything to the utmost in 1940 and accordingly to exploit raw materials reserves at their expense in later years. It will be necessary to act in future according to this principle.

I replied to Field Marshal Goering that I was grateful for this clear program, and that I give him the advice, however, to build up reserves of ready war material, too, as experience shows that ready war material on hand may be reemployed always at once and may be used for new set-ups. We, therefore, would have to put on the brakes in this respect in order not to face one day difficult surprises. Field Marshal Goering agreed.

[initialled] Th 30/1

TRANSLATION OF DOCUMENT EC-611

Speech of Dr. Schacht, President of the Reichsbank, on the "Miracle of Finance" and the "New Plan" before the Economic Council of the German Academy at Berlin on 29 November 1938. Taken from special print of the Reichsbank [nach dem Sonderdruck der Reichsbank].

Since the seizure of power by National Socialism, critics abroad have used two special arguments against Germany in the economic field. The first was, that German finances were developing in a disastrous manner which had to lead to collapse in a very short time, and the second, that Germany would be shipwrecked by the shrinking of her foreign trade, her elimination from the world market and her efforts at self-sufficiency. Only recently, after a long but vain period of waiting for the collapse, people are beginning to correct themselves and to speak occasionally in a somewhat envious tone of the financial miracle, which has been built up in Germany, and of the commercial-political achievements of the so-called new plan. The catchword of the German financial miracle has even inspired a foreign journalist to write a biography of me, in which he depicts Schacht as a magician. (Note–N. Muehlen, "Der Zauberer". The Life and Loans of Dr. Hjalmar Horace Greeley Schacht "Zuerich 1938.")

And the Schacht commercial-political policy of the New Plan is the constant bane of all Most-Favored-Nations fanatics abroad who, from out of the abundance of their wealth, cannot conceive that a poor nation can yet have the courage to live according to its own laws instead of suffering according to the prescriptions of the rich. The unwilling recognition of our new economic-political methods also gave rise to further explanation and defense at home, in the process of which it did happen that I sometimes actually could not recognize my two brainchildren. Of course it is quite true that one cannot, during a period of formation exactly express oneself concerning all details, but the inner fundamentals must sometimes fail to be understood by the outsider, since too much talking endangers action. Now, however, that things have taken on a completed form, I believe that it would be both unobjectionable and useful for me as the originator to express myself publicly on these two questions. It will then be seen that there can be no question whatever of magic or artfulness, that the success of the two tasks was based, rather, on very simple, clear, fundamental ideas.

Yet I willingly agree with people abroad that it is difficult to comprehend the rise which Germany experienced after the changeover to National Socialism since, as was the case with our opponents, there was no understanding of any kind for the unheard-of oppression, deprivation of rights and economic misery which we were forced to undergo prior to 1933.

The collapse of German economy after Versailles had its climax in the credit crisis of 1931 (Note—13 July 1931). It was unleashed by the "run" of our creditors abroad who would have liked to collect the entire debt of no less than 25 billion Reichsmark on three months notice. The fraction which was actually transferred was still large enough to destroy our economy. All credit transactions ceased, payments had to be considerably restricted, all large banks showed themselves to be in need of restoration and one (Note—the Danat Bank) was even beyond restoration. Rates of interest reached insane heights, the number of bankruptcies mounted by leaps and bounds. Each individual collapse of necessity released a new chain of suspensions of payment and thus entire branches of economy, among them primarily agriculture, were soon facing ruin. The state of public finances became hopeless. Each increase in the tax rate only brought a decrease in receipts. All of these manifestations of economic decay had unequalled social misery as their inevitable result. The most staggering proof of this is found in the number of unemployed, which passed the 6-million mark in the winter of 1932/33 (Note—the peak was reached 15 February 1933 with 6,047,289 unemployed by actual count) and which, including invisible unemployment, amounted to almost 7 million. If in addition to this one considers that since 1926 the number of unemployed had never averaged less than 1.3 million per year, and that by 1930 the number already amounted to more than three million, then no further proof is needed that such constant mass unemployment constituted a political danger of the most serious order.

If the government of that time was incapable of any effective undertaking against this disaster, this was due to the fact that it disintegrated into party and interest groups and was enmeshed in inflexible parliamentary methods. A fatalistic resignation to a fate regarded as inevitable characterized national policy. It found a kind of economic justification in the classic national economy's widespread dogma concerning the powers of self-healing, which are supposed to be latent in every crisis and to manifest their value in the natural course of events. The handling of this dogma was so unrealistic, so steeped in purely mechanical thinking, so lacking in any feeling for causes and relationships, that the result is a model of an economic policy as it should not be. Even a fleeting glance shows that the 1931 crisis cannot be compared to the prewar crises. In 1908 Germany had 25 billion marks worth of foreign assets, in 1931 an equal amount of foreign debts; in 1908 a few percent of the employable population were unemployed, in 1931 nearly a third. Between 1905 and 1908 suspensions of payment rose 21 percent, between 1928 and 1931 they rose 95 percent. The causes of the economic crises before the World War were almost always based on economic events, which were influenced by crop fluctuations, technical achievements, human miscalculations, etc. The economic crisis of 1931, on the other hand, was nothing but the economic finis to senseless, violent political measures which turned all normal economic development topsy-turvy. It was not the economy which had failed the German economy least of all; it was the policy of the victorious powers of Versailles that had failed. As a result economy could not help, only politics, which helped Germany with the seizure of power by National Socialism.

The National Socialist government did not hesitate a moment with its measures for starting the economy going again, and in this connection it is very interesting to note that National

Socialism never acted according to a preconceived theoretical economic program. Since I had been in personal contact with the leading men of National Socialism since the end of 1930, I was a witness of how the Fuehrer repeatedly rejected the manifold attempts to set up a detailed National Socialist economic program and clung to the ideological foundation of the party program. In 1933, therefore, economic declamation was immediately replaced by economic action. The ideas of so-called consumption financing, which were at first much talked about and which had in mind the indiscriminate distribution of a windfall of money by the state, were completely put aside. Thus the mistakes were avoided which we have today seen in the economic policy of the United States of America and France and which show how closely deflationary and inflationary crises are related.

Instead, all state aid was devoted from the very beginning to increasing production, at first in a so-called work-creating program through credit for restoration, repairs, etc. (Note—Above all by the law for the reduction of unemployment of 1 June 1933—Dokumente der Deutschen Politik Vol. 1, Doc. 71.) and then by the great and constantly growing armament program. The extent of this program and of the highway construction undertaken very soon showed that these two tasks alone would put all idle manpower to work, so that the other work-creating measures very soon became superfluous.

Of course all this work-creating and armament program could be put into operation only by the state and only with the aid of generous financing. There was no capital available for this financing. Rather, help had to be obtained through the creation of money. The classic theory of national economics permits the creation of money only when the goods circulating in the economy have already increased; on the other hand, it forbids production financing and above all any sudden and extreme expansion of credit. This theory is correct only in the free, unregulated economy which served the classical national economists as the source of their knowledge. In such an unregulated economy an extensive increase in money must lead to wage and price increases and thus to tensions which as an end result unleash an economic crisis. With National Socialism, however, Germany came under an economy regulated to the greatest possible degree and to a constantly increasing extent by the state, which made it possible to prevent price and wage increases. Thus one of the main objections to production financing by credit was eliminated, and the credit money was used to produce a greater amount of goods. It remained only to establish limits for the amount to which the creation of money could go; for the creation of money by the state always carries with it the danger of excess, which leads to inflationary phenomena. It was not only important that the newly created money be covered by newly created goods; the type of goods produced was also important. Reduced to a simple formula, the problem is as follows: The credit money made available for armament purposes produces a demand for consumers' goods through the payment of wages and salaries. The armament manufacturers, however, deliver military goods which are produced but not put on the market. From this follow two consequences: first, care must be taken that aside from armament manufacture an amount of consumer goods is produced which is sufficient to sustain the population including all those working for the armament industry; second, the less there is consumed the more labor can be used for armaments, but the higher consumption rises the more manpower must be left for the production of consumer goods. Therefore, the standard of living and the extent of armament production are in an inverse ratio. The less I consume the more I save, and the more I save the more I am able to put into armaments. This means that armaments can in the last analysis be financed only by the building up of savings and not by the creation of money.

When the Fuehrer again appointed me to head the Reichsbank (on 16 March 1933) to support the financing of work-creation and armaments, these connections were quite clear to me since in the decades of my work with economic problems I had learned to distinguish the means of exchange which is money from the means of production which is savings capital. But I saw just as clearly that first I would have to build a bridge to this normal way of financing through savings because our income from taxes had decreased to a minimum and our capital market was empty. As long as the economy remained at its low level this state of affairs could not be changed. Consequently, the only correct way was for the bank of issue to put at our disposal the credits necessary for work-creation and armament production until the economy would yield profits again which would render possible a sufficient building up of savings and consolidation. Only then a change to the way of financing through taxes and loans could be —and would have to be—made. It was also clear to the Reichsbank that it could release the forces to start the economy but could not rule them alone without the state. Despite this fact the Reichsbank took the risk of credit expansion which, from the first, was planned for sums of billions, because it was sure of finding the full support of the entire state machinery in its supreme task of currency protection.

The numerous measures which were taken in closest collaboration by all competent agencies during the time to follow all had the purpose of controlling the course of the credit expansion, of preventing a discrepancy between money and goods, and of putting superfluous money into armament loans. These measures fall into two groups according to their point of application. The first group is concerned purely with credit and finance policy. This includes the entire finance policy, lowering of interest, stock-floating legislation, supervision of banks, constant skimming of the money market by promissory notes of the gold discount bank, and, as the most important measure, control of share issuing. I especially stress this last-named measure, to which there is much opposition, because it will be essential for a long time yet, in order to safeguard the currency and maintain the interest level, to concentrate the means collecting on the capital market as far as possible on the financing of armament and the Four-Year-Plan. The second group of measures, on which the Reichsbank had to place the greatest emphasis, includes the direct effects on prices and wages, which are entrusted to the Reich commissioner for price-fixing (Note—Appointed on 29 October 1936. Cf. Dokumente der deutschen Politik Vol. 4, Doc. 47) and the trustees of labor. They are to take the brunt of the pressure which is felt in spite of control of credit and finance policy and are thus to protect our currency from alternate price and wage increases, which are rightly considered the characteristic symptom of an inflation. The importance of this function in itself means that price and wage control must be maintained and if necessary even strengthened, until an adequate consolidation of the short-term armament credits from the capital market has resulted.

The simultaneous operation of all the measures named has hitherto effected the maintenance of German currency. Spring 1938 signified a cut in our financial policy, because the German economy had reached a condition of full employment. As soon as a national economy has employed all available labor and means, however, any further extension of credit becomes not only senseless but harmful, for then newly created money can no longer cause new production of goods, but only competition for the available labor and raw materials; and such competition must, in spite of all state supervisory measures, drive prices and wages up. Now, the term full employment is of course flexible. A national economy as great as the German one will still be able to mobilize a certain labor reserve and achieve certain results in the way of simplification and systematization. But a credit expansion in the previous manner was no longer possible, and from this the responsible parties drew the consequences. On 1 April 1938 the granting of credit by the issuing bank was discontinued and the financing of government contracts then became dependent on methods of taxation and loans. The issuance of treasury bonds against deliveries was the instrument used in preparing the transition.

Nevertheless the Reichsbank is not by these means freed of all risks. For the Reichsbank has, in addition to the credits granted by itself, gone even farther in that it has drawn in very considerable resources of the money market for the work-creation and the financing of armaments. While the term "capital market" includes all savings capital which is at the disposal of industry for a considerable length of time, the term "money market" is understood to mean the short term funds which mainly serve as the means of carrying on business; these are not invested as savings, but only loaned for a very short period as they are being circulated all the time. These funds form as it were the treasury of the German national economy. The Reichsbank has created fluctuating investments for these short-term monies—for which interest (even if at a low rate) is sought for the time when they are not being used—by offering them partly in the form of bills of exchange on the Gold Discount Bank and partly by direct sale of short-term securities on the money market, which can be converted by industry at any time into cash at the Reichsbank. Here therefore is one obligation of the Reichsbank, which in times of a limited money market can effect and on occasion already has effected, a harnessing of the Reichsbank, but which at times of a more fluid market must always lighten the burden of the Reichsbank. By means of this ingenious system even short-term cash reserves of German industry, which would otherwise lie idle or go into other short-term investments, are drawn into the financing of work-creating and armament. It is also apparent from this representation that in addition to the control of the capital market, central supervision of the money market was also necessary and will remain so for the time being in the interests of finance on the whole.

And now all of you will be curious to learn what sums were and are involved. Naturally I do not disclose that. But one thing I should like to state emphatically and frankly. The figures which are disseminated about the total German foreign debt are fortunately considerably higher than the actual debts, and if it again becomes possible, which I hope will be the case in the not too distant future, to publish the actual figures of our total debt, the world will be astonished at how so much in the way of work-creation and armament could be achieved with so little use of credit.

The criticism of the extent of our money circulation which is occasionally heard should also be more restrained. In 1929 the total German circulation of legal tender was about 5,980 million marks. In the meantime the population of the German Reich has been increased by 14.9 million through the increase in births and through the addition of the Saar, of former Austria, and of the Sudeten Gau. This means, with the same circulation of money per capita, a sum of 7,370 million marks. Compared to this figure, the average circulation of legal tender for the first ten months of the current year is about 7,930 million marks, that is, only 560 million higher in comparison to 1929. Of course the circulation of legal tender was greatly increased in the critical month of September of this year; this is, however, less than the circulation increase of other states.

It is possible that no bank of issue in peacetimes carried on such a daring credit policy as the Reichsbank since the seizure of power by National Socialism. With the aid of this credit policy, however, Germany created an armament second to none, and this armament in turn made possible the results of our policy. Nevertheless, we are not dealing with a miracle, at least not in the financial field. The success is corroborated among other things by the increase in tax revenues (1932: 6.6, 1937: 14.0 billion marks) and the amount of the consolidation loans issued [from 1934 to date (Note—Concerning loans from 1934 to 1937 cf. Dokumente der Deutschen Politik Vol. 5 p. 334. Note 3. In 1938 there were also three 4½-percent Reich treasury bonds—3 to 18 January 1938 first series: 1400 million marks; 19 April to 4 May 1938 second series: 1966 million marks; 10 to 24 October 1938 third series: 1850 million marks.) about 13.5 billion without the loan at present being offered.] (Note—From 28 November 1938 to 9 January 1939 the fourth series of the 4½-percent treasury bonds—to the amount of 1½ billion marks—was offered for subscription.) That is a finance policy of which we can be proud, but it is no miracle. The miracle is in an entirely different field. The basic political attitude of our people has changed miraculously in the few years since 1933. Fatalistic resignation has been replaced by iron will and fanatical faith in the future of our nation. Egotism and disunity have given way to strict national discipline. Instead of a weak and vacillating government, a single, purposeful, energetic personality is ruling today. That is the great miracle which has actually happened in Germany and which has had its effects in all fields of life and not least in that of economy and finance. There is no German financial miracle. There is only the miracle of the reawakening of German national consciousness and German discipline, and we owe this miracle to our Fuehrer Adolf Hitler.

I now turn to the second great complex of questions, that of commercial policy. First I should like to make a remark for the benefit of my friends at home. It is often very amusing for me to observe how, without prejudice to all work really achieved, one is repeatedly judged by slogans which have long since been cast off. One of the most popular slogans is that a man like Schacht can think only in terms of money and therefore, to paraphrased Lessing, cannot possess the only genuine ring of National Socialism. Such attitudes have such a tragic-comic effect because they come from people who are constantly calling for money but at the same time assert that money is of no importance.

The conception of the so-called New Plan (note—went into effect on 24 September 1934; cf. Dokumente der deutschen Politik Volume 5 Page 352 f) with which we will now deal, proves exactly the opposite of so-called thinking in terms of money. The New Plan is the completely logical recognition that money alone is not enough; the important thing is the kind and amount of goods I can afford for money. One can neither make cannon nor bake bread with printed banknotes. What matters is simply and solely the possibility of supplying a sufficient amount of goods, and if one cannot produce these quantities of goods oneself, they will have to be obtained from somewhere through barter. In this barter money plays only the part of middleman in commerce.

The first point which must be established is that there is a variety of goods which Germany cannot manufacture, at least not in sufficient quantities for her population. It should really be self-evident that from this state of affairs arises the effort to tap as far as possible all productive sources of the country which have not yet been opened up. An industrial country which depends on imports cannot always be assured of disposing abroad of its goods in exchange for which it wants to import other goods; economic or political crises may prevent this. Criticism of the so-called efforts toward autarchy therefore appears more than ridiculous to me. The furtherance of production of domestic raw materials has very little relation to the rejection of foreign trade. Foreign trade is founded not only on economic necessity but also on efforts toward cultural exchange. Even if all countries were autarchic in the most fundamental necessities of life, there would still develop an international trade in innumerable cultural goods and in the consumer articles characteristic of an advanced civilization. Proof of this is found in the fact, among others, that highly developed industrial countries generally maintain a more active commercial trade among one another than with more primitive economic areas. The trade between Great Britain and Germany was never so active as at the time of their keenest competition in the international markets.

But Germany is certainly not autarchic and never will be in all fields. She is dependent to a large extent on the import of foodstuffs and raw materials. The imports must be paid for with "Devisen", that is, with foreign currency. We do not possess this foreign currency; we can obtain it only by exporting our goods. I have already mentioned that Germany entered the crisis of 1931 with a foreign debt of no less than 25 billion marks. If more proof had been needed, it was shown beyond any doubt in the course of this crisis that German exports could not be increased so far as to cover not only the necessary imports in goods, but also the payments on the debts. The impossibility of this was caused not so much by the fact that Germany could not have produced the necessary amount of export goods, but rather by the fact that foreign nations were either unable or unwilling to accept this quantity of German goods. The American and English tariff increases, the French continental quotas, etc., prove this with absolute clarity. And so Germany was laid under the necessity of, first, paying for a certain quantity of imports, and second, continuing the unproductive payments on the debts. Both together exceeded German strength, and therefore the first measure that had to precede a new German trade policy was to limit the payment on loans. Thus there was no other possibility than to introduce, to an increasing extent, the transfer moratorium, with which you are familiar.

When the payment on foreign debts had thus been restricted, goods traffic also had to be regulated, if the foreign currency problem was to be mastered. Entrusted by the Fuehrer with the task of solving this problem, I, as Minister of Economics (Note—from 30 July 1934 to 26 November 1937) reverted to quite simple and primitive thought processes. I told myself that one should never buy more than one can pay for and if one cannot pay for everything that one would like to buy, one must first buy what one needs most urgently and must buy it where one can obtain it most advantageously. This again involves the danger of an incorrect application of the principles of the Classic National Economy which has lost its basis. The classic theory immediately answers the question, where can one buy to the best advantage: of course, where it is cheapest. That is completely unthinkable today, for if one has no foreign currency for payment, the question of where it is cheapest is not so important as the question of where one can get the goods at all. And if the seller of the goods does not insist on selling only for foreign tender, which I do not have, but is willing to take goods in exchange, the whole classic national-economic law loses its basis. All in all, this simple and primitive economic thought was based on the main question of whether the rest of the world was willing or able to renounce a market which consisted of almost 70 million people at that time and which today consists of almost 80 million, or whether they wanted to retain this market. According to the classic theory one should have assumed that anyone who cannot receive the payment he wants in foreign currency for his goods would renounce the sale of these goods. Far from it. It has been shown that, in contrast to everything which classical national economy has hitherto taught, not the producer but the consumer is the ruling factor in economic life. And this thesis is somewhat connected with general social and political observations, because it establishes the fact that the number of consumers is considerably larger than the number of producers, a fact which exercises a not inconsiderable social and political pressure.

The new foreign trade system demanded that export and import be subjected to a certain control, but it would not necessarily have forced the whole German trade policy into the extreme of bilateral trade agreement systems, which we find today as the ruling factor not only in German trade policy but also—connected with the German distress—in the rest of Europe, and which is so very distasteful to our rich cousins in America. This extreme bilateral trade agreement system was forced on us by our foreign creditors; for they thought that with the control of our exports to their countries they would have a suitable means of obtaining payment for their capital demands, which could no longer be fully satisfied from Germany. A surprising development resulted here: in the creditor countries, which resorted to this clearing traffic toward us, a difference of opinion very soon arose as to who should be given preference, the exporter of goods, who wants to export to Germany, or the creditor, who wants to collect interest from Germany. The practical development of this problem was effected essentially in favor of the producer of goods and less in favor of the capital creditor. And if I just now said that the consumer and not the producer has become the decisive factor in economic life, one would almost be tempted to add here that in credit and capital traffic the debtor and not the creditor has the decisive position, in the last analysis. If the debtor absolutely cannot pay, it is up to the creditor to help him, or he must dispense with payment. Of course it is different if the debtor does not want to pay; the keeping of contracts and respect for private property will of necessity always form the basis of all communal society. At any rate, it is a false assumption that the bilateral trade system, with which Germany is today supporting her economy, arose from our deliberate judgment. Oh, no. It is a natural and necessary result of the war tributes and the clearings which were forced on us. As soon as our creditors are ready to cooperate with us in removing the effects of the war tributes, a door will be opened through which we can come to many-sided trade and to free international payment traffic.

The New Plan, therefore, is not anything unnatural or fantastic. It arose from the emergency conditions into which Germany was forced by the rest of the world. The unusual aspect of the New Plan was only that its conception freed itself from all preconceived theoretical dogmas and in practice took those measures which could bring relief.

If there is anything remarkable about the New Plan it is again only the fact that German organization under National Socialist leadership succeeded in conjuring up in a very short time the whole apparatus of supervision of imports, direction of exports, and promotion of exports. The success of the New Plan can be proved by means of a few figures. Calculated according to quantity, the import of finished products was throttled by 63 percent between 1934 and 1937. On the other hand, the import of ores was increased by 132 percent, of petroleum by 116, of grain by 102 and of rubber by 71 percent. According to value, the passive trade balance, which amounted to 284 million marks in 1934, gave way to an active balance of 550 in 1936, and of 443 million marks in 1937. The so-called new goods debts, finally, were cut down to about half within two years.

These figures show how much the New Plan contributed to the execution of the armament program as well as to the securing of our food. Of course, we had to pay a high price for this success. At the time I called my own New Plan horrible, and today I hold the same opinion. I have been told that once at an exposition, a merchant, who knew how to combine annoyance and humor happily, decorated his booth with the approximately 40 forms which an export merchant must fill out today in order to carry on his business. I am of exactly the same opinion as this man, but for the time being this cannot be helped. I certainly do not believe that the main function of a merchant is to carry out the demands of an economic bureaucracy. In fact I am of the opinion that his business should be as voluminous and good as possible and that he should fill out as few forms as possible. As long, however, as our scarcity of foreign currency exists our foreign trade control must be kept up.

I do not know when we will be able to reduce it. I hope that it will be soon. Among the prerequisites therefor are the improvement of our raw material situation and the elimination of the conflicts between credit and trade policy. In this connection I still hope that a national-economic textbook going at least a little further than pre-war thinking, might finally be published in the United States of America. As long as these prerequisites have not been fulfilled the New Plan must remain in effect. It demands sacrifices, but it also guarantees success. Yes, the weight of the 80 million German consumers so strongly affects particularly the European countries around Germany that it cannot as yet be foreseen which economic-political changes in the European trade will result. In any case, the New Plan has shown that we do not intend to have our economic life directed from the outside, but wish to form it ourselves and are in a position to do so.

I do not wish for these two statements about the financial miracle and the New Plan to imply a purely polemic attitude toward the rest of the world.

In fact, I hope and desire that my statements might lead to an understanding within and without our borders. This understanding is that the nations serve the prosperity of their fellow countrymen better by a peaceful policy of mutual regard of interests and the will to understand each other than by attempts at suppression and violence as were made by Versailles. The national-economic and cultural will to live of a great nation cannot be permanently enslaved. Even from times of greatest weakness and worst enslavement national forces always grow again for which a leader rises at the proper time, as Adolf Hitler arose for us. We are going through a time of struggle today, and measures during a time of struggle are often rough and not always conventional. It is foolish to cling to these disadvantages of fighting methods and, therefore, to be less peaceable. When the foreign countries are ready to respect our rights to life and our possibilities of existence, the methods also will become peaceable.

PARTIAL TRANSLATION OF DOCUMENT EC-613

File—Organization Protocholle Politik 76, Doc. 1

Memorandum on the main performances * (contributions) of the French economy in favor of France performed at the instigation of the Military Commander in France.

* This is in substance *booty* of the victor! K.

* * * * * * *

III. The French government has established, at the instigation of the Military Commander, a rationing of raw materials after the German pattern, working according to German instructions. Through this it (the French government) has put at the disposal of the Reich the necessary extensive technical and human apparatus for the use of the French business and industry [gewerbliche Wirtschaft] in the German interest, particularly for the purposes of transfer of orders [Auftragsverlagerung]. Through this, on account of the jurisdiction of the Repartiteurs which extends to the unoccupied territory moreover, an extensive direction of the economy in the unoccupied territory has been granted to the Military Commander.

TRANSLATION OF DOCUMENT EC-614

Doc. 3—Memorandum of the Military Commander in France

[handwritten]
Secret! Necessity of the economic incorporation of the "Departements Nord and Pas de Calais" in the jurisdiction of the Military Commander in France.

Against this condition there would be no objections, from the German viewpoint, if the Military Administration in the field of economy had in substance the task, as in the beginning of the occupation, to remove foodstuffs, raw materials and machinery from France and for the rest to restrict itself to secure the bare subsistence of the population in order to keep quiet and order. This phase of stripping [Ausraeumung] has been replaced in the meantime by the phase of the exploitation of the economic forces of France. The French economy has been incorporated in the greater German economic plan.

TRANSLATION OF DOCUMENT EC-615

1 December 1939
Secret Command Matter [rubber stamp]

NOTES

Today the question of raw materials quotas for the first quarter of the year 1940 was presented to Colonel General Keitel by me and Colonel Becht. Colonel Becht and I upheld the view that in the field of steel—except for an allocation of 30000 t by the Reich Ministry of Economics—no more demands could be made to the industry for allocations of steel to the armed forces, because otherwise the industry supplying us would get itself into greatest difficulties and because the steel production is declining on account of the transport situation.

Regarding nonferrous metals we are of the opinion that the contemplated yearly quota must not be exceeded as to consumption [ausgabemassig] as otherwise the decrease in the allocations for the armed services in the second half of 1940 would become too heavy. As always I upheld the view that in all our measures we must count on a long war.

Colonel General Keitel was of a different opinion and asserted that as much material as possible should now be mustered in order to give the Wehrmacht an opportunity to fulfill its programs in entirety.

The Fuehrer expects that the continuation of mine-warfare will bring a quite decisive result already in a very short time and one was under the impression that the British were already very hard pressed. One firmly believes in the highest circle that Great Britain and France will collapse in a short time as soon as the mine-warfare will be conducted more effectively and the enemy countries will be dealt with sternly by another military blow. Therefore, all possibilities must be exploited in order to improve further the present supply of the armed forces at the expense of future times.

[signed] Thomas 1/12

PARTIAL TRANSLATION OF DOCUMENT EC-616

Situation Report of the War Economy and Armament Staff of France
[Lageberichte des Wi-u Rue Stabes Frankreich]
from 5 August 1940 to 3 April 1941

Interference [Einschaltung] of the Wi u Rue Stab (War Economy and armament staff) with the "Repartiteurs" (raw material rationing boards).

In order to guarantee the interests of war economy in the area of the Military Commander in France with the French raw material agencies [Repartiteurs], the officials of the raw material department for the fields of iron and steel, nonferrous metals, chemical products, rubber, textiles and leather were assigned to the delegates of the Military Commander in France with the above mentioned goods offices. The officials of the Wi u Rue Stab have to clarify especially all technical (professional) questions arising in the jurisdiction of the Wi u Rue Stab which result from the rationing in the field of armament orders and from removal [Abtransposte] of raw materials and to have them settled quickly by the French Repartiteur thru the delegate of the Military Commander in France. This cooperation became manifest for the first time in the meeting of Repartiteurs and Chiefs of the Reichs Stellen held from 20 to 22 February 1941 in Paris.

PARTIAL TRANSLATION OF DOCUMENT EC-617

Situation Report of the War Economy and Armament Staff of France
[Lageberichte des Wi-u Rue Stabes Frankreich]
from 5 August 1940 to 3 April 1941, Page 5.

As regards raw materials economy, the economy of occupied France has been incorporated into the German system [Deutsche Ordnung]. The condition for the transfer of orders, therefore, is the production of a quota certificate. The French Repartiteurs established for the rationing of raw materials in France are being supervised by the Germans. In spite of the increasing scarcity of many raw materials the transfer of orders must not be slowed down.

TRANSLATION OF DOCUMENT EC-618

SECRET

West Military Administration
Service Instructions for Economic Squads

I. Task and Organization

1. It is the *task* of the economic squads to reconnoitre quickly and completely in the newly occupied territories the raw materials (goods in short supply and goods subject to restricted use) most important for the war effort and essential war production machinery, to register and seize them for the Reich and after getting the proper detailed order of the Supreme Com-

mander of the Army with whom the executive is vested, to make preparations for their eventual shipment into the Reich.

In order to be able to start their work as soon as possible the squads follow the fighting troops closely.

2. *Assignment and control.* The economic squads will be employed in specific territories forming a whole from the point of view of economy and communications. They are put at the disposal of the OKH by the OKW and are attached and subordinated to an army group. Until the military administration is established and working they depend on closest cooperation with the liaison officer of the Wi Rue Amt at the Supreme Command of the Army in their territory.

Additional economic squads needed for newly conquered territories will be supplied from the homeland.

3. *Composition of economic squads.*

1 Staff Officer or Captain as Chief.
1 Captain or Lieutenant as Deputy Chief.
6 Captains or Lieutenants
4 soldiers able to type (typists)
4 drivers
4 light or medium cars
4 typewriters

4. *Economic supply.* The army group will take care of the economic supplies.

If there are not enough officers available these posts can be filled with warrant officers [Sonderfuehrern] or can be converted upon request of the Rue In into positions for employees of the superior technical or civil service, for the duration of the war.

II. Directives concerning the execution of reconnoitering, securing and seizure

5. The information about local conditions of the assigned territory which is to be covered generally ensues orally by the army group. Furthermore, the economic statistical material which was given to the economic squad at the time of the assignment by the army group, is at its disposal for detailed information.

6. As soon as a rough survey of industry and existing raw materials has been made it is imperative to *concentrate* at first on the *most important and largest stock of supplies* and to secure these.

7. The *first task* consists of protecting these stocks against any further interference, that means,

a. in case the supplies are stocked in places which can be locked up, these have to be locked up and/or secured by iron bars,

b. if necessary, guards have to be secured by the local commander,

c. signs are to be posted to indicate the seizure (see enclosure a),

d. if necessary, one or several members of the squad have to be stationed at the working installation in question.

8. The next task consists of *ascertaining* roughly what the existing supplies are. Estimates by surveying are, as much as possible to be supplemented by existing files and declarations of the employees of the concern.

In addition to the raw materials the inventories on processed materials (semi-finished material) are to be secured.

9. With respect to the kind and the minimum stocks of raw materials and machines which are to be secured and seized, see enclosures *b*, *c* and *d*.

10. On the basis of these preliminary inventories reports in three copies have to be submitted to the army groups once a week—in special cases more often. In order to avoid duplication in reporting, the reports have to be submitted as follows:

> Newly reconnoitered: x tons of copper, x tons of tin etc., total inventory therefore: x tons of copper, x tons of tin etc.

The army groups pass on in the same form weekly consolidated reports to the OKH for the liaison officer of the Vo Wi Rue Amt (Office of Armament for the National Economy) with the Quartermaster General, and for the Chief of the Economic Division, in duplicate.

11. A planned inventory follows the preliminary inventory, at first for goods in short supply and later on for goods subject to restricted use.

An inventory under categories of the known supplies now has to be made with the help of the local inhabitants for the purpose of weighing and sorting. On this occasion questions of ownership are to be clarified and established as far as possible with the cooperation of the present owners.

12. The release of seized raw materials for the needs of the troops, or for the *requirements of the civilian population* or for processing in the country may only be made according to the directives of the army groups.

III. The transfer of the goods

13. At the same time the preparations for a possible removal of goods in short supply and goods subject to restricted use have to be made. Railroad sidings and loading possibilities are to be investigated, requirements of manpower and vehicles or railroad cars are to be determined. Transport by rail through utilization of trains, returning empty from the front line, will be the rule. Transport by truck can be considered for small but especially valuable quantities. Where there is a possibility of transport by *water*, it is to be utilized *most extensively.* It is important to contact as soon as possible the agencies of the railway to establish the possibilities of securing freight cars. In cooperation with them and the local kommandaturas all measures have to be taken, which guarantee quick shipment.

a. Freight cars may be loaded with only one raw material (with the exception of small quantities).

b. Freight cars of the same contents are to be hooked together.

c. Complete trains of the same or similar material facilitate rail transport considerably.

15. The freight cars or trains are to be despatched to the nearest distribution station (see No. 17).

The distribution station has to be advised, if possible by phone, of transports of more than 5 freight cars.

A way-bill for every car has to be made out correctly according to *appendix f* and must accompany the shipment.

16. Special instructions will be given in most cases of transfer of machinery or truck transport will be used. Exact declaration of origin, type and shipping instructions—firmly attached to the machines—is important.

17. All transports will be directed to the so-called distribution stations for distribution of the transferred goods to the proper warehouses in the Reich. There the goods will be taken over for the Reich by the representatives of the "Wirtschaftliche Forschungsgesellschaft" (Wifo) sorted according to warehouses and their re-shipment will be arranged.

The OKW names the railway stations for distribution to the economic squads through the army groups. The Wifo representatives have telephone facilities at the distribution stations. It is a special duty of the squads to maintain close contact with them in order to facilitate an undisturbed transfer to the rear.

18. The economic squads will send written reports (according to enclosure *g*) of the shipments made on the same day to:

1. Wifo, Station for distribution * * *
2. Wifo, Berlin, W. 8, Mohrenstrasse 36-37.

One copy will be kept in the files of the economic squads, from which a monthly consolidated report is to be made (report on transfers to the rear), which has to be presented in triplicate to the army group by the fourth of each month.
OKW (Wi Rue Amt/Ro) and OKH (VO Wi Rue Amt at the Quartermaster General) will receive one copy each.

19. All the above mentioned forms are available at the army groups and may be requisitioned there in case of need.
7 enclosures.

PARTIAL TRANSLATION OF DOCUMENT EC-619

Clearing Agreement of November 14, 1940, for French-German payments

* * * * * * *

Article 2.

As far as no other provision has been made by agreement between the two governments for effecting certain payments, the following payments are to be effected through Clearing:

1. From Germany to France.

a. The payments for imports of French goods from France to Germany.

* * * * * * *

Article 4. Par. 1 * * * The Clearing Office of Paris will effect payments in France up to the amounts paid in RM. immediately after receipt of the credit note.

* * * * * * *

Article 6.

The present agreement is valid for the duration of the Armistice Treaty. It can be revoked by the German side effective at the end of each month by giving one week's notice beforehand.

PARTIAL TRANSLATION OF DOCUMENT EC-620

The Reich Marshal of the Greater German Reich.
Commissioner for the Four Year Plan.
V.P. 14395.

Berlin, 26 August 1940.

Distribution list * * *
Subject: Systematical exploitation of the economy of the occupied western territories for the German war economy.

It is a necessity of high political importance that the capacities and raw materials in the occupied western territories shall be employed systematically and to the highest extent in order to help the German war production and to raise the war potential for the fulfillment of the demands to be made in the interest of further warfare. The High Command of the Armed Forces (OKW) and the Reich Minister for Weapons and Ammunition have already published the directives necessary in this connection. In order to be able to place the orders without friction and to enable not only public consumer agencies but also private enterprises from the Reich to use plants in the occupied territories, it is necessary that all purchases and orders from procurement agencies as well as from public and private enterprises will be coordinated and will be adapted to the capacity of the plants. I, therefore, have ordered the establishment of a Central Order Office for the Reich Commissariat for the occupied Dutch territories, the area of the Military Commander in Belgium and Northern France, and for the area of the Military Commander in France.

PARTIAL TRANSLATION OF DOCUMENT ECH-1

Final Report of the Chief of Military Administration in Belgium and Northern France, Part 10, Section 1, page 22.

The German-Belgian Trade. Belgium supplied during the time of occupation, to Germany goods for 4,115 million Rm. and received from Germany goods for 1,225 million Rm.

Payments in the German-Belgian trade, according to the clearing statistics of the Emission Bank in Brussels:

	Belgian supplies in Rm.	German supplies in Rm.
June-December:		
1940	129.141.040	102.760.880
1941	711.661.520	417.411.760
1942	1.128.642.480	310.522.480
1943	1.454.645.280	278.229.200
January-June:		
1944	691.547.600	115.588.080
	4.115.037.920	1.224.512.400

Up to the payment of September, the military administration was not in possession of the clearing statistics for the months July and August 1941. [Apparently 1944]

Document on Economic Planning, dated 13 September 1940, by Chief of Military Administration in Belgium and Northern France.

[Page 118]

The figures have been repeatedly discussed with the Ministry of Economics and the Reich Coal Commissar. The plan for the distribution of coal submitted herewith, is the result of these negotiations.

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[Page 127]

The attached table on the planning of the iron industry in Belgium and in Northern France is based on suggestions given by General von Hanneken for the iron industry in the occupied territories. The application of these suggestions has been thoroughly discussed with the Reich Ministry of Economics, and the Reichsstelle for Iron and Steel.

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[Page 129]

As regards the measures to fix quotas for iron and steel, the following agreement was reached amending the regulations on quotas issued by the Reichsstelle for iron and steel in their letter dated 30 July 1940:

The delivery of rolling mill products from Belgium to Germany or Northern France to Germany is performed exclusively by the syndicates which are responsible that only such orders are transmitted in which the quota was assured. All orders for so-called indirect exports from Belgium—that is, for instance, deliveries of wagons and locomotives, cast iron articles, wire products, etc.—may be transferred to Belgium only after they have been released by the Reichsstelle for iron and steel for delivery through Belgian works.

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[Page 157]

Textiles

The attached plan by President Kehrl has been worked out in cooperation with Department of Textiles (apparently of the Office of the Military Government).

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[Page 173]

The rationing plan for leather has been established in thorough cooperation with the Reich Minister of Economics, OKW—Army Administration Office—and the representative of the Reichsstelle for Leather.

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[Page 174]

It has been agreed with the Reichsminister of Economics, with the OKW—Administrative Office of the Army—and the Reichsstelle for leather that up to 30 June 1941 a total of one million pairs of military and work shoes should be produced in Belgium for German account.

For the Belgian civilian demand shall be produced: 3,700,000 pairs of civilian shoes, four million pairs of leather clogs, and 12,500,000 pairs of leather soles for repair, and 400 tons of leather for technical purposes (driving belts, special leather for the textile industry, harness leather etc.).

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[Page 175]

This planning refers only to cattle hides for sole leather. For the other kinds of hides which are not of the same importance for the overall planning it has been ascertained by special agreement with the Reichsstelle to which extent shipments to the Reich should be made. For shipment to Germany the following quantities have been fixed: 1,140,000 sq. ft. upper leather, one million leather linings for hats, 500,000 pieces of chamois window leather, and 180,000 pieces of sheep and goat leather.

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PARTIAL TRANSLATION OF DOCUMENT ECH-3

Final report of Chief of Military Administration in Belgium and Northern France, part II, section 1.

[Page 14]

The Goods Offices were legally, except for the unessential early time, agencies of the Belgian Ministry of Economics, just as in the Reich, the Reichsstellen were agencies of the Reich Ministry of Economics. The Military Administration carried out its own supervision through German representatives whom they appointed at each Goods Office. It was the task of these representatives to inform the Military Administration about all essential facts, to advise the Goods Offices and to transact all business with the German official agencies. Technical orders were not comprised in their task. The Military Administration tried to use always the "command channels" through the Belgian Ministry of Economics. In the beginning the task of the German representative was done by the chiefs of the economic departments and other officials in the Economic Department of the Chief of Military Administration as a part time job which led to a particularly close cooperation of the economic departments of Military Administration with the Goods Office. In the beginning of 1943, however, a separation in principle was decreed. At each Goods Office an employee of the corresponding German Reichsstelle representative of the Military Administration (and) did his permanent work at his Goods Office. This measure was due to the demand of the Reich Ministry of Economics, which hoped for a stricter execution of the rationing in Belgium.

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[Pages 85–87]

After the establishment of the Office of the Ruestungsobmann [Armament Chief] for Belgium and Northern France of the Reichminister for Armament and War Production which had been reached towards the end of 1943, the dualism between Armament Inspectorate and Military Administration should have been abolished as there was now a clear distribution of tasks. The scope of work of the Ruestungsobmann was fixed by decree of the Reichsminister for Armament and War Production, Department: General Commissioner for Armament Tasks in the Four Year Plan on the distribution of tasks in the war economy of 29 October 1943, the Ruestungsobmann, with his representatives in the countries [Landerbeauftragten] was responsible for the planning and direction of production. Military Administration was responsible for the rationing and authoritative tasks, the Ruestungs Inspectorate was responsible for the care for the enterprises regarding supply of auxiliary and raw materials, labor and supervision of execution of orders. This distribution of work was made less clear through the founding of a department for the supplying of industry with the Armament Inspectorate, whereby the work of the Landerbeauftragten of supplying industry, and the new Department of the Armament Inspectorate was doubled. In addition to this the attitude of the Armament Commanders was such, to try to preserve their former task, although it had been transferred, without doubt, to the Landerbeauftragten.

The same dualism had developed with the appointment of Commissars and the appointment of representatives in enterprises [Betriebsbevollmachtigten]. Agreement had been reached with the Chief of the Economic Department of the Armament Inspectorate, by which the Armament Inspectorate was entitled to appoint commissars and representatives in the enterprises of which they had care. The Ruestungs Inspectorate had made use of this right to a large extent, but had omitted very often to inform the appropriate official who administered this branch and-or the Landerbeauftragten. At a time in which the difficulties of production and the hostile attitude of the Belgian managers increased, the Ruestungs Inspectorate very often appointed German commissars in order to meet the wishes of the Belgian management to get rid of the responsibility, whereas the Military Administration tried not to take the responsibility for the production off the shoulders of the Belgian managers and if necessary enforced their decision and the maintenance of production.

Nevertheless the institution of the Ruestungsobmann helped substantially to unify the care for these enterprises which were interesting from the point of view of armament economy because members of the Armament Inspectorate and of Military Administration held important positions in this agency. The Minister for Armament and War Production, upon the proposal of the Ruestungs Inspectorate and Military Administration, chose in the establishment of the Armament Chief, the method of a so-called personal union in the management of the existent agency for direction of economy. By decree of the Reichsminister for Armament and War Production of 1 November 1943, the Chief of the Economic Department of Military Administration was appointed Armament Chief [Ruestungsobmann] for Belgium and Northern France, and by decree of 25 May 1944, the Chief of the Department Army with the Armament Inspector in Belgium as his substitute.

PARTIAL TRANSLATION OF DOCUMENT ECH-4

1st Annual report of the Military Commander dated 15 July 1941,
Table Nr. C-4.
Comparison of Rations in the Occupied Western Territories

	Germany			Belgium			Northern France		
	Normal consumer	Heavy worker	Extra heavy worker	Normal consumer	Underground miner	Heavy and extra heavy workers	Normal consumers	Underground miners	Heavy and extra heavy workers
Bread	321.4	521.4	664.2	225	450	450	300	450	450
Meat	57.1	114.2	142.8	35	70	70	51	77	77
Fats	37.5	53.5	94.6	15	60	30	14.2	58.5	28.5
Potatoes	Not. Rat.	Not. Rat.	Not. Rat.	500	500	100	100	100	100

	France			Holland		
	Normal consumer	Heavy worker	Extra heavy worker	Normal consumer	Heavy worker	Extra heavy worker
Bread	275	350	350	300	428	571
Meat	36	51	66	42.7	64.2	107
Fats	13.3	28.3	38.3	28.5	42.7	85.7
Potatoes	Not. Rat.	Not. Rat.	Not. Rat.	428	643	857

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[Page C90]

The distribution of the coal output from the entire territory is done under supervision of the military administration, according to a monthly plan of distribution for coal, in which the quotas for the different groups of consumption (railroad, Wehrmacht, cokeries, common consumption, export, etc.) have been fixed. The distribution of the liabilities to the mines to supply coal is done through the Belgian Coal Syndicate, or in Northern France by the "Comptoir des Mines in Danai." For the supervision of the execution of this program by the syndicates, a German expert has been detached.

In order to level the demands by the consumers, and to direct the distribution according to a uniform system, goods offices are being built up in both territories which are likewise supervised by a German representative.

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[Page C94]

Whereas the Belgian production of steel and iron goes to Germany, except for a monthly home quota of 50,000 tons, the Northern France production with an iron quota of 20,000 tons is at the disposal of occupied and unoccupied France.

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[Page C98]

The basis of the rationing of metals is the decree which introduced the principles of the German rationing regulations in Belgium. The Goods Office by its full powers undertook the direction of the use of metals and supervised the execution of the prohibition of use. The complete registration of all stocks forms the basis for the metal plan formed by the appropriate Reichstellen which not only fixes certain quotas for the transfer of orders of the Wehrmacht and the demands of the Belgian home industry, but also made it possible to ship out further important quotas of metal (to Germany).

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[Page C105]

As there were no syndicates on the field of textiles, the direction on this field was taken over by the newly founded Goods Office. The regulations of production were adapted to those of the Reich. The direction of production is done today according to the plan, set up at the end of this year for the entire rationing of textiles in the Greater German Economic Space, (so called Kehrl-plan) which includes the registration and distribution of the raw material up to the final working.

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[Page C106]

The rationing of flax was extremely handicapped by the disorder, which prevailed since 1939 on the Belgian flax market. At times a prohibition to buy had to be proclaimed for Belgian and French spinning mills, whereas Germany was allowed to continue purchases under control. The distribution of the existent raw material is now done through a German-French-Belgian flax committee, which has at its disposal not only the harvest of 1940, but also the greatest part of the harvest of 1939.

PARTIAL TRANSLATION OF DOCUMENT ECH-5

Final report of Chief of Military Administration in Belgium and Northern France, Part 9.

[Page 34]

Activity of the Reichskreditkassen

Immediately after the march-in of the troops, the supply of the Wehrmacht (armed forces) and the German agencies with money was taken over by the Reichskreditkassen, which followed close on the advancing troops heels. The legal basis for their activity in the occupied territory had been formed by the decree on Reichskreditkassen of 18 May 1940 (VOBL 3rd. issue of 27 June 1940) by which the German decree on Reichskreditkassen of 3 May 1940 in the wording of the publication of the Reich Minister of Finance of 15 May 1940, as well as the German decree on the establishment and the sphere of activity of the Reichskreditkassen in the occupied territories of 15 May 1940 were promulgated.

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ECH–5

[Pages 67-68]

The circulation of bank notes has developed as follows:

Time	Amount	Yearly	In percent	Increase in comparison to 8 May 1940 in percent	Monthly average
In mill. Bfrs.					
8 May 1940 . . .	29.806		*Percent*	*Percent*	
End 1940	34.817	5.011	25	17	626
End 1941	48.466	13.649	39	63	1137
End 1942	67.881	19.415	40	128	1618
End 1943	83.211	15.330	23	179	1278
31 Aug., 1944 .	100.276	17.065	31	236	2133

Herewith in the last balance sheet published under the German occupation of 31 August 1944 the 100 billion amount was exceeded.

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[Page 112]

III. The regulation of the money circulation.

1. Handling of R.K.K. certificates. The issue of RKK-certificates by the Reichskreditkassen in Belgium, during the period of time from May to October 1940 amounted to about 4.2 to 4.4 billion bfrs. equal to 336—352 million RM. Of this, up to the 30 June 1941 3.567 million bfrs. equal to 285 million RM were withdrawn from circulation by the issue banks, and turned in to the central Administration of the Reichskreditkassen.

Comparison of Expenditures of Belgium, France, and Germany Caused by the War

	Belgium (10.5.40-30.6.44)	France (1.9.39-1.9.44)	Germany (1.4.39-31.3.44)
Total Expenditure Covered by:	216 bil. bfrs.	1,650 bil. bfrs.	503 bil. RM
a. Taxes	63 equals 29%	535 equals 32%	153 equals 31%
Contributions to Cost of Occupation			106 equals 21%
b. Loans and Bonds	72 bil. equals 34%	600 bil. equals 37%	183 bil. equals 36%
c. Bank of Issue (Inflation)	81 bil. equals 37%	515 bil. equals 31%	61.5 bil. equals 12%

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[Pages 244-245]

The Secretary General of the Belgian Ministry of Finance, recognized in principle by memorandum of 20 December 1940, the demand for occupation costs. He claimed, however, that all demands for contributions should be limited to the revenue of the country, and occupation costs may be levied only within the scope of the reasonable needs, and that the occupying authority could not impose to the occupied country the upkeep of a higher contingent of troops than was necessary for the needs of the regular occupation. The Military Administration declined to discuss the legal question with the Belgian authorities in letter of 14 February 1941—Fin-A-60.

* * * As regards the question, if the Army of Occupation to be supported by costs of occupation should be limited according to certain points of view, nothing could be learned from the Hague Regulations. The Military Commander, therefore, requested in his letter of 17 January 1941—Kdo Stab IV A—Verw. Stab.—Geheim—a decision of the High Command of the Army.

In this letter the Military Commander stated: "Only such expenditures should be considered as occupation costs, which arise from the number of troops which serve for the occupation of the country, properly speaking, that is, for the maintenance of security, quiet, and order. Those troops which were in the country in excess of this, for operational purposes, or for reasons which had nothing to do with the necessity of the occupation of the country, could not be taken into consideration in this case."

By order of the High Command of the Army:

Gen. St. d H.—Gen Qu Abt K Verw(W) Nr. 2/239/41 g. of 29 January 1941, it was decided, that such a distinction between costs of the occupational troops and such of the strategic troops must be declined. By a general order dated 21 October 1941—2 f 32 Beih, 1 A 2236/41 gen. AW A/WV(VIIb), the High Command of the Wehrmacht confirmed the decision of the OKH that also the cost of the strategic army was included in the occupational costs.

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[Pages 249-250]

In order to avoid excessive charges for Belgium, as a strategical base against England in comparison to France and Holland, military administration tried to reach an equalization of the cost of occupation between the countries mentioned with the Berlin central offices. These efforts failed, because the agencies referred to did not think feasible the deliveries of goods from Holland and

France to Belgium, which would have been necessary to level the occupation charges, and declared that Belgium had to raise the Belgian francs necessary for the needs of the army of occupation from their own resources.

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[Pages 252-253]

The proposal (to fix a maximum amount of the occupation charges) to which in the meeting of the Four Year Plan on 13 October 1941 the OKH, OKW and Reich Ministry of Economics assented, failed because the Reich Minister of Finance declared, that to make debts on behalf of the Reich in connection with the raising of inner occupation costs was unbearable, for reasons of principle and in order to avoid appeals.

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[Page 254]

If, nevertheless, the occupation costs were not only sufficient to cover the needs of the Wehrmacht in the country during the following period, but also made it possible for the Finance Officer [Intendant] with the Military Commander to found a cash reserve which reached at certain times about 2.5 billion francs, this excess was due to the measures for economy and direction taken by the military administration and the Finance Officer [Intendant].

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[Annex 13]

The Reich Marshal of the Greater German Reich Representative for the Four Year Plan

V.P.14328-5g.Rs.

Berlin, W.8
9 September 1942
Secret Reich Affair!

Subject: Requisition of gold reserve of the Belgian National Bank according to Reich performance law [Reichsleistungsgesetz].

The gold reserve from the Belgian National Bank is lying in the vaults of the German Reichsbank. The bullion is needed for purposes of warfare. I, therefore, order you to order the transfer of this bullion to the Reichsbank at the disposal of my office. You are requested to use for this purpose the enclosed draft. You are to report what has been done.

(Signed) Goering

To: Oberpraesident Fuehrungsstab Wirtschaft
(Staff Economy in Berlin)
Victoria Street, 34, W.35.

The Reich Marshal of the Greater German Reich Representative
for the Four Year Plan
V.P.14328/5g.Rs.

Berlin, W/8
9 September 1942

Enclosed I transmit copies with reference to conference of 12 August 1942 for your information, and I leave it to your discretion, to inform the appropriate Belgian agencies as necessary. If there should be any questions, it must be pointed out that the Oberprasident is acting upon orders from the Reich Government.

(Signed) Goering
Confirmed: (Signed) Schutze
Administrative Assistant

Addressed to: Military Commander in Belgium and Northern France.

* * * * * * *

[Annex 16]

The German Reichsbank in Berlin and the Emissionbank in Brussels concluded the following agreement:

The German Reichsbank and the Emissionbank in Brussels will reciprocally provide unhampered possibilities of transfer from Germany to Belgium. For this purpose the Emissionbank in Brussels will accept the RM amounts, which are offered to it, by the German Reichsbank at the rate of 250 Belgas for 100 RM and will pay the counter value in Belgian Francs. In the same way the German Reichsbank will accept the amounts of Belgas, which are offered by the Emissionbank in Brussels at a corresponding rate and pay the counter value in RM's.

(Done in three copies) 17 August 1940

Board of Directors of the Reichsbank
(Signed) W. Funk
(Signed) Puhl

Emissionbank in Brussels, 16 August 1940
(Signed) G. Jannssen
(Signed) A. Goffin

Final report of Chief of Military Administration in Belgium and Northern France, Part 10, Section 2, Annex 1.

Circular in Foreign Exchange Matters of the Reich Ministry of Economics

Circular No. 5140 D. St. 4 July 1940, 1640 R. St.

Re: Belgium I, 1,3,4,5,8,V4—New Regulation of Transfer.

II

A clearing system is introduced effective immediately.

III

Subjected to the clearing system in accordance with No. 4 order are all liabilities of people residents of Germany (including the incorporated Eastern territories, the former Free City of Danzig, but without the Protectorates of Bohemia and Moravia and the General Government for the occupied Polish territories) on the one side and residents of the occupied territory of Belgium (without Luxembourg) on the other side.

IV

Payments in Germany are made exclusively through the German clearing institute [Verrechnungskasse] Berlin and in Belgium exclusively through the National Bank of Belgium, Brussels. Debtors residing in Germany have to make payment for the following liabilities *only* to RM account of the Belgium National Bank, account No. 1028 with the German Clearing Institute [Verrechnungskasse]:

a. Payments for the import of Belgian goods to Germany (proof of origin is not needed).

b. Payment for additional costs of goods and transit traffic, payments for transport insurance included.

c. Payments for the finishing of goods [Veredelungsloehne].

d. Payments for immaterial supplies, that is, patents, licenses, copyrights, and lease of films.

e. Payments for subsidies, pensions, and other disbursements if there is an emergency.

f. Payments for which there is a special permit from the Reich Ministry of Economics.

Payment can be made only in virtue of a foreign exchange certificate or foreign exchange permission granted by the Reich or the Devisen Stelle (Foreign Exchange agencies). Liabilities due after the first of August 1935 which have not yet been paid according to the former agreement on payments are included in the clearing system. Debtors residing in Belgium have to make payments of any kind to Germany only in Belgium Francs to the account: German Clearing Institute, Berlin [Deutsche Verrechnungskasse] kept by the Belgium National Bank, Brussels.

Payments in RKK notes are not permissible. The rate of exchange for liabilities of German debtors in Belgian currency and the rate of exchange for liabilities of Belgian debtors in German currency is: 100 marks equals 250 Belgas or 100 Belgas equals 40 RM. If the liability of the German debtor was in another currency, than RM or Belgas, the foreign exchange certificate has to be made out this way, that the counter value of the amounts owed is to be paid in RMs. The exchange is done at the medium rate of the currency in question which was noted on the Berlin Stock Exchange on the day before the day of payment. If the parties involved should agree to another rate of exchange, the permission according to Section 12 of the Foreign Exchange Law is needed. Payments arising from transit commerce are excluded from clearing accounts.

[Annex III]

Proclamation on the establishment of the Clearing System between the occupied Dutch and Belgian territories of 2 August 1940

For the resumption of payments from and to the occupied Dutch territories the clearing system will be established effective immediately. * * *

Signed: The Military Commander in
Belgium and Northern France

* * * * * * *

[Annex 5]

Minutes concerning the regulation of payments between Switzerland on the one hand and Netherlands, Belgium and Norway on the other hand (of 29 July 1944)

* * * * * * *

Bern, 29 July 1944
For the Government of the Greater German Reich:
(signed) Schnurre

For the Swiss Federal Council:
(signed) Hotz

. SECRET

Supervisory Office with the Military Commander in Belgium and Northern France

FINAL REPORT of the Supervisory Office with the Military Commander in Belgium and Northern France on the legalized exploitation of the black market in Belgium and Northern France. (13 March 1942—25 March 1943, 31 May 1943 respectively)

I

Antecedents

The devolpment in the procurement of goods in the occupied territories is described in the order of the Reichsmarshal of 2 April 1943 about the end of the activity on the black market as follows:

In introducing the controlled economy in the occupied territories certain loopholes remained at first. Especially it proved impossible to secure completely the large stocks of raw materials and finished goods which still were at hand from the pre-war time. All kinds of German offices—without getting in touch with one another transacted large purchases in the black market, which naturally developed on account of these facts on a broad basis, overbid each other and therefore increased the whole price level unnecessarily. Because the distribution of the goods, bought in the black market, could not be controlled, urgent needs remained unconsidered while other departments had a surplus of supplies.

Measures: The Military Administration in Belgium and Northern France has paid special attention to this development from the beginning. As this development took place outside its direct jurisdiction many discussions were held with the competent offices in the course of which an agreement in principle was reached on 22 October 1941 and 29 January 1942 with the General Intendant of the Armed Forces in this area and the Commander of armament inspectorate according to which the black market should be exploited further with regards to the supply situation of the Reich, but according to uniform directives and in a legalized and planned way. The same suggestion was submitted to the Military Administration on 16 February 1942 by Colonel Johne and Ministerialrat Dr. Drexl of the Reich Ministry of Economics.

For the legalization of purchases in the black market the following view points were decisive:

An immediate securing of all stocks and goods at hand by economic control measures is impossible in practice with the introduction of the necessary economic control in a country in which up to then a free economy to the highest degree existed. Besides this the business men in Belgium had the experience from the first world war. Those who had merchandise at hand then, did tremendous business during and after the war. In order to be able to have these business opportunities also at this time and possibly to a greater extent, secret stocks were built up systematically on a large scale. In order to secure also these goods for the procurement tasks of the Reich as much as possible it was reasonable and justified, to introduce the phrase "undeclared stocks of merchandise" and interpret it for a certain transit period as the merchandise kept hidden and made not available to the controlled economy.

Because exceptional permits from the rules of the economic merchandise control are possible, an office should be created, where all offers from the black market had to be registered, and which was then authorized, after examination of the offers, to grant exemption purchase permits as exemption permits from the controlled economy regulations.

Thus the Central Registration Office was created.

II

Central Registration Office (Z.A.M.)

Establishing: The ZAM was established by order of the Chief of Military Administration of 13 March 1942 based on the order of the Military Commander of 20 February 1942 on "Securing of black market stocks, exploitation of the black market, fight against illegal trade."

By order of 20 February 1942 all administrative offices in the command area were requested to report all offers made to them by the black market to the ZAM. Besides this the ZAM charged some reliable firms to accept offers from the black market and submit them.

The ZAM had the offered goods examined for quality, price and urgency and gave, if approved, a written purchase permit. *The Purchase* then was executed by a special representative (Paul Schmidt), who, for the outside, acted in his own name (Working-federation Schmidt), but in reality executed the purchases for the "Allgemeine Warenverkehrsgesellschaft m.b.H." (A.W.G.) [Generad Trade Company]. The companies which were admitted for the use of this merchandise, one of which was the Roges, had to put at the disposal of the General Trade Company adequate advances to finance the purchases.

Distribution of Merchandise: By order of 20 February 1942 the purchased goods had to be offered in principle to that administrative office, which had reported the concerning offer, provided that this administrative office was located in the command area.

The merchandise not taken over by these administrative offices as well as all other goods were used according to the directions of the economic department "W V Ch", considering the requirements of the units stationed in the Command area. The deliveries to the Reich were made to the Roges as well as to government agencies and administrative offices in the Reich respectively in the East which had special permits.

III

Supervisory Office (UWA)

Establishing: By order of the Reichmarshal of 13 June 1942 the commissioner for special tasks with the commissioner of the Four Year Plan, Colonel in the Air Force Veltjens, was ordered, to guide centrally the activity of German administrative offices on the black market and direct it into the proper channels in agreement with the competent Military Commanders.

Based upon this order the central Registration Office was changed by order of the Military Commander in Belgium and Northern France of 20 August 1942 to: "Supervisory Office at the Military Commander in Belgium and Northern France (UWA). The UWA, into which the former ZAM was incorporated, is an administrative office of the Military Commander. The commissioner for special tasks with the commissioner of the Four Year Plan however was authorized to give direct orders.

Changes in principle: Simultaneously with the change of the ZAM to the UWA the following changes in principle were ordered:

1. Any activity of all administrative office and individuals on the black market is prohibited in principle. They have to show themselves disinterested in any offers. Especially interesting offers they have to refer to the UWA.

2. For the acceptance of offers and the purchase—after an issued purchase permit—special purchasing organizations will be established respectively entrusted. These purchasing organizations work according to agreements which they had to make with the Roges.

3. In addition it was made sure that the goods procured by the admitted purchasing organizations were not kept by them but were put at the disposal of the Reich. The distribution is made

via the Roges through the "Central Planning" at the Commissioner for the Four Year Plan (Reichsminister Speer, Secretary of late Koerner, Fieldmarshal Milch) respectively through the authorized agencies. (Reichministry of Economics and Reichstellen). An exception was granted for motor vehicle accessories and parts as well as for medical supplies. These special items for army needs were distributed by those administrative offices which in turn were the superiors of the purchasing organizations (HKB XXXII and Heeves-Sanitats-park 561) without any discount by the Roges.

UWA Lille: By order of the Military Commander of 3 November 1942 the UWA Brussels was directed to establish a branch office in Lille. At the same time the OFK (military government area headquarters) was authorized to give directives to the branch office Lille of the UWA.

A plan for distributions of the activities of the UWA Brussels is attached in appendix 7.

The form of the purchases:

The following purchasing organizations were admitted:

1. Firm Wabeko (established by AWG) admitted for purchasing of goods of all kinds with the exception of nonferrans metals, engineering tools, machines, automobile accessories and parts and medical supplies.
2. Firm Pimetex (established Reichminister for armament and munitions) admitted for purchasing of nonferrans metals, engineering tools, machines and tools.
3. Firm H-Fuchs (established by field office west RLM) admitted for the purchase of textiles.
4. Firm Patewi (established by SS-Economy-Administration-Main-Office) admitted for the purchase of textiles, paper, household goods, seeds and spices.
5. Firm Minerva (established by leading Quartermaster for Military Commander in Belgium and Northern France) admitted for the purchase of postexchange goods.
6. HKB XXXII admitted for the purchase of auto accessories and parts.
7. Army-Medical Corps 561 admitted for the purchase of medical supplies.

The purchasing organizations carried out the purchases permitted by the UWA and the removal according, for direction and regulations of the Roges.

"Immediate needs of the troops." Another exception to the rule which provided that the purchased goods had to be put at the disposal of the Central Planning resp. the competent distribution

agencies in the Reich, was accorded the immediate needs of the troops "The UWA issued purchasing permits in the black market for the immediate needs of the troops" to outfits in the command territory under the following conditions:

1. The application had to be accompanied by a written declaration of the commander or director of the * * * agency, that an immediate need of the troops according to the decree of the OKW was present and that there was no other means of providing the necessary goods than by purchasing in the black market.

2. The presented offer had to be in the frame work of the regular permits of the UWA as far as articles, prices and quality were concerned especially there shouldn't be any violation of purchasing restrictions or purchasing prohibitions.

The UWA issued purchasing permits for immediate needs of the troops valued at appr. 7.1 million RM. The purchases were accomplished after receiving the UWA permits by the admitted purchasing organizations. The necessary sums had to be provided by the requesting outfits or agencies. No discount was given.

Special drives: The third form of purchasing was ordered or permitted special drives. Such special drives were carried out:

1. *The Christmas drive of the Reich Marshal of the Greater German Reich.*

By order of 9.22.42 the Reichmarshal ordered Col. Veltjens in his capacity as commissioner for special tasks with the commissioner for the Four Year Plan to carry out a purchasing drive in the occupied western territories for the purpose of increasing the supply of the German civilian population with consumer goods during the Christmas season.

For the accomplishment of the purchase in the Command area the Reichgroup Commerce provided 50 German merchants who were considered according to the directive of the Delegate for the Four Year Plan of 10.24.42 principally as experts of the competent Reich agencies.

These merchants worked without pay. Their living expenses in the Command area were refunded. Other advantages of any kind (Commissions or special consideration in the distribution of the goods etc.) were not granted to them.

For the purchase were to be followed the directives for the treatment of goods bought in Belgium for the Christmas drive, which can be seen in appendix 1.

The purchasing experts bought the goods in their own name and ceded their claims from the purchase contracts to the AWG after the contracts were signed by the experts and the seller the AWG took care of the removal of the goods to Germany. The distribution of the goods in Germany was carried out by the Roges according to directives by the competent Reich agencies.

In this drive goods valued at 53.5 million RM were shipped to Germany, that is toys, leather goods, paper goods, cosmetic products, wicker goods, occasional furniture, house, kitchen and garden tools, and other hardware, laundry supplies, free textiles and merchandise of different kinds. 2,242 freight cars were necessary for the removal. This Christmas drive was effectively assisted by all concerned agencies of the Military Administration especially by the appropriate sub-sections Industrial Economy, Wi-department and U.V. Ch.

2. Special drive Wabo (Order of the Fuehrer to Reich Minister Speer for the procurement of Christmas packages to soldiers) The offers were collected by the OT-super postexchange and shipped. The buying was done by Pimetex after UWA permission was obtained. Goods valued at 5.2 mill. RM were bought. The funds were provided by the Roges. A discount was not granted.

3. Special drive Bonifa (Speer program) Purchasing was undertaken by Pimetex, after UWA permission. Purchased were goods valued at 4.11 mill. RM funds were provided by Roges. No discount was given.

4. Special drive Lowa (Locomotive-program Degenkolb) buying by Pimetex after UWA permission. Merchandise valued at 1.2 mill RM was bought. The funds were provided by locomotive industry through Henschel. No discount was given.

5. Special drive General Commissioner von Ruckteschel for eastern territories. The orders were collected and worked by Commeran—Antwerp. Purchasing was carried out by AWG (Work-Community Schmidt) after permission by ZAM. Merchandise valued at 140.000 RM was bought. These funds were provided by Ministry East. No discount was given.

6. Special drive Commissioner General Simon for Eastern Territories.

The offers were collected and worked on by Schag, branch office Brussels. Purchasing was carried out by AWG (Work Community Schmidt) after ZAM permission. Goods valued at 432000 were bought. These funds were provided by Territory East. Discount was not given. This drive was opened during the ZAM time and closed during UWA time, so that the amount of 432.000—appears with ¾ in the statistics of the ZAM and with ¼ in the statistics of the UWA.

Statistics of all purchases carried out with permission of the ZAM and UWA.

	RM in mill.
1. Total of purchases by A.W.G. (Work Community Schmidt) and permitted by ZAM from 3.13.42-7.31.43	22.4
2. Total of purchases by directing quartermaster with permission of ZAM from 3.13.42-7.31.42	86.2
3. Purchases of all other agencies in the Command Area permitted by ZAM from 3.13.42-7.31.42	55.8
4. Total of all purchases by admitted purchasing organizations, with permission of the UWA and paid for with funds from Roges	232.5
5. Permitted purchase of postexchange merchandise from funds of the directing quartermaster	6.–
6. UWA issued permission for purchases of immediate needs of the troops valued at appr.	7.2
7. The following purchases were accomplished with permission of ZAM for special drives:	
a. Christmas drive Reichmarshal for the Greater Reich	53.4
b. Wabo drive (Christmas packages for soldiers)	5.2
c. Bonifer drive (Speer program)	4.1
d. Lowa drive (locomotive program Degenkolb)	1.2
e. Special drive commissioner general von Ruecktoschel (for the eastern territories)	0.1
f. Special drive commissioner general Simon (for the eastern territories)	0.1
g. Special drive Ministry East (supply dept.) (Dr. Butting-Maerfins)	3.4
h. Special drive Bavaria—movie art	0.1
i. Special drive I.G. Farben—Auschwitz	1.6
j. Special drive army field postmaster	1.2
k. Special drive main traffic managing office	1.6
8. Total of purchases in the territory of the O.F.K. Lille, based on permissions of the UWA Lille by locally admitted purchasing organizations	56.1
9. The department Nanjocks spent Roges funds for merchandise purchases up to 5.31.43 with	7.4
grand total	595.6

Percentage of overcharge: The average overcharge percentage for the effected turnover is:

	Price paid in RM.	Normal price in RM.	Over-charge percentage
1. during the ZAM time (3.13.42-7.31.42)	164.449.607.22	*Appr.* 27.408.201.20	*Appr.* 600
2. during the UWA time (8.1.42-12.31.42)	136.701.495.72	29.485.124.48	463
3. during the UWA time (1.1.43-5.31.43)	107.067.938.09	24.317.182.22	440
	408.219.041.03	81.210.507.90	475

The goods purchased with UWA permission by the admitted purchasing organizations are listed in the enclosed statistics according to articles respective types of merchandise and volume.

PARTIAL TRANSLATION OF DOCUMENT ECH-9

Circular of the Military Commander in Belgium and Northern France dated 19 June 1943

Subject: Prohibition of taking part in the Black Market.
Reference: Orders of 20 February 1942 (Secret) and of 20 August 1942. MVCW/Wi/I Tg 6. Nr. 1206/42g.

The Reich Marshal of the Greater German Reich issued two orders against the Black Market. The first, of 17 March 1943—V.P.3809/5/3g—refers to the Black Market in foodstuffs. The second, dated 2 April 1943—V.P.4694/5g—refers to the prohibition of the Black Market of raw materials and finished goods.

In the text of this circular General Falkenhausen repeats Goering's orders and gives the necessary orders to assure the execution of Goering's orders by stressing the existent regulations prohibiting Black Market activities and abolishing the two orders of 20 February 1942 and 20 August 1942 by which the exploitation of the Black Market by Colonel Veltjens had been permitted.

PARTIAL TRANSLATION OF DOCUMENT ECH-10

Final report of Chief of Military Administration, Part 11, Section 2, subsection 5, Page 56-58

A short survey of the machinery clearing cases treated and executed shows this. In all 567 demands of a total value of 4.6 million RM were treated. Of these 567 applications for machinery clearing, 242 of a value of 3.6 million RM were settled, of which 112 went directly to the Wehrmacht. In 132 cases amounting to 1.9 million RM a voluntary commercial sale was realized, whereas 110 transfers of machinery of a value of 1.8 million RM could be executed through requisition. Of these 110 requisitioned machines, 31 went directly to the Wehrmacht and 79 to the industry of the Reich.

All these figures refer only to the activity of the Clearing Office for Machinery. Not contained therein are machine tools and building machines, which, as described before, were treated by other agenices. * * *

The legal basis for the requisition of machinery was the Hague Rules of Land Warfare of the year 1907, Articles 52 and 53.

The formulation of the Hague Regulations of Land Warfare providing for requisitions only in favor and for the needs of the occupying forces were adopted to the circumstances of the year 1907, that is a time at which the war operations were limited in space to a territory and practically only the military front was involved in the war operation. With this limitation of war in space, it was clear that the formulation of The Hague Rules of Land Warfare, providing the requisition only for the needs of the occupying forces, was entirely sufficient for the needs of warfare. The modern war, however, which in its extension to a "Total War", is not limited any more in space, but has become a struggle of nations and economic spaces against each other's demands, even if the dispositions of The Hague Land Regulations are maintained and appropriate interpretation of its principles, according to the facts of the modern waging of war.

In this modern form of war, not only the fighting army at the front, but in addition to this, the whole German Wehrmacht and the whole German economy, in as far as it serves the waging of war, is involved. Considering the waging of a total war, therefore, in an appropriate interpretation of the principles of the regulations on land warfare, requisitions are not only permissible for the needs of the occupying forces in a narrow sense of space, but for the overall interests of the German waging of war. In these are included requisitions in favor of German war economy, as well as requisitions in favor of the German Wehrmacht beyond the occupied territory. This involves also that the requisitioned articles need not only be used in the territory in which they have been requisitioned, but that they may be used also in other parts of the sphere of power of the occupying forces.

In as far with the requisitions, reference was made to the ordinance of the Military Commander of 6 August 1942. This was done in order to give the Belgian population the necessary appropriate interpretation of the dispositions of The Hague Regulations for Land Warfare which are the basis for the requisitions.

PARTIAL TRANSLATION OF DOCUMENT ECH-11

Final Report of Chief of Military Administration in Belgium and Northern France, part 11, Section 2, subsection 6, Pages 16, 18.

Especially important in this connection was the so-called church bell drive. The removal of church bells had been demanded very early in Belgium. The Military Administration could always postpone this drive with regard to the political consequences. After all, the church bells had been removed in the Reich and in the other occupied territories. The removal of the church bells was ordered by a direct order from the Fuehrer in Belgium also.

Although the Military Commander had pointed out the difficulties which had to be expected, in the beginning of January 1943 the removal of church bells in Belgium was definitely ordered and a special commissioner was sent for the mobilization of metals to Belgium by the Reichsstelle for iron and metals. In the year 1941 the church bells had already been registered in Belgium so that all "feld and oberfeldkommandanturen" had the preliminary figures at their disposal. When these figures were checked it was seen that the registration was not sufficient and did not give a definite picture of the church bells at hand.

* * * * * * *

Final report of Chief of Military Administration in Belgium and Northern France, part 11, Section 2, Subsection 6, Page 18.

After the church bells had been removed the communities were given a receipt. Military Administration (Department of Culture and Art) established precise documents from which could be seen where the bells had been removed, what inscription they bore and where they had been stored so that also in the German stores it was possible to ascertain from where the bells originated. Furthermore, each community was assured that any damage to the churches or other buildings which was caused by the removal of the bells would be restored at the discretion of the Military Administration. This promise was kept and considerable expenditure had to be made in order to make good the damage which could not be avoided in most cases.

PARTIAL TRANSLATION OF DOCUMENT ECH-12

Report of Activity of the Department "Protection of Art" of the Military Administration in Belgium and Northern France, p. 70

Number of Church Bells Removed in the Provinces of Belgium and Shipped to the Reich.

Provinces	Number	Weight
		Kg.
Westflandern (West Flanders)	490	477,954
Ostflandern (East Flanders)	344	346,119
Antwerpen (Antwerp)	421	345,031
Barabant	722	514,009
Limburg	251	202,351
Gennegau	558	447,046
Namur	589	429,032
Luttich (Liege)	498	359,675
Luxemburg	122	77,216
Total	3,995	3,198,433

PARTIAL TRANSLATION OF DOCUMENT ECH-14

The Delegate of the Reich Minister for Armament and Munitions for Belgium and Northern France

Director Obering W. Anselm
Armament Economy Leader

Brussels, 16th July 1943.

Military Commander in Belgium & Northern France,
Military Administration Chief,
Group IV Culture,
Brussels.

Referring to the telephone conversation with OKVR Dr. Petri, I am enclosing herewith copy of a letter of the Reich Minister for Armament and Munitions dated 23.6.43 concerning supply of apparatus for research.

We ask you kindly if you are able to help out the Reich Research Council with apparatus that is not fully used.

Delegate of the Reich Minister for
Armament and Munitions for
Belgium & Northern France.

[Copy of a letter from the Reich Minister for Armament and Munitions, dated Berlin, 23 June 1943, addressed to all Commissioners of the Wehrkreise. Subject: Obtaining apparatus for research.]

It causes extreme difficulties at present to obtain apparatus and instruments [Messinstrumente] for scientific preparations as the term for deliveries is very long. The industry for the building of apparatus is used 100% for orders from the different parts of the Wehrmacht. Therefore, all possibilities must be exploited to obtain the apparatus needed (apparently by research agencies) from stocks of other institutions which are not used. The transfer of apparatus in general should be done through a lease contract between the institute supplying the apparatus and the Reich Research Council. Laboratories and institutions of western occupied territories are to be used primarily to supply the apparatus asked for.

The demands of the research agencies for a special branch are addressed to the war economy agencies of the Reich Research Council, Berlin—Steglitz, Grunewaldstrasse 35, where the supply of instruments has been centralized. In consideration of the importance of the progress of scientific work for armament, especcially in the field of chemistry and physics, I assured the Reich Research Council, which has no agencies in the field, that they would get the help of the Wehrkreis Commanders in order to obtain apparatus. Due to his precise knowledge of the scientific and technical institutes in the various areas, the help of the Wehrkreis Commander will be very helpful.

I therefore request to inform the Reich Research Council about apparatus which are not fully used and to assist, if necessary, in obtaining the transfer of these instruments.

signed: SPEER

R./E. 22 May 1944

Draft [handwritten]

To: The Military Commander
General of Infantry von Falkenhausen

The following is submitted for your information: In the past few years repeatedly directors or members of German scientific institutions applied for requisition of scientific instruments in favor of these institutes (Polytechnic School Aachen, Universities of Munster, Berlin, Leipzig, etc.) attaching very often certificates from OKW, OKM or OKdL. Very often the impression was created that the primary purpose of the seizure applied for was to provide a modern apparatus for the scientific institute of the German university in question. This purpose is not covered by the Hague Regulations—if we want to recognize them at all—even then, if the professors and directors of the institutes appear in uniforms of the Wehrmacht. Only in such cases where there is an urgent military necessity or if another emergency can be proven which is sufficient reason for seizure or leasing of apparatus we can comply with these applications. This must be certified by an appropriate military agency, by a responsible chief of a department as it is known that certificates [Bescheinigungen] of general nature can be obtained very easily, particularly if the position of the scientist is in "personal union" with the position of an official in the military agency in question. It would always be very difficult for the Military Administration to decide whether the seizure is necessary from a military point of view or not. Military Administration therefore must rely upon the application which has been checked under the responsibility of OKW, OKM, etc. In every case the arrogance of the applicants must be reprimanded.

[initial illegible]

PARTIAL TRANSLATION OF DOCUMENT ECH-16

Memorandum from Military Administration Department for Culture, dated Brussels, 17 May 1944.

Subject: Requisition of a meridian circle.

* * * * * * *

In the meantime, I received today a letter from the Secretary General of the Ministry of Education dated 17 May in which he protests with reference to the inspection which took place on 13 May in the observatory in Ukkel against the removal of a meridian circle from the Royal Observatory in Brussels or any observatory of the country. In this protest Mr. Nyns refers to the Articles 52 and 56 of the Hague Regulations. By virtue of these articles only such things may be requisitioned which are necessary for the needs of the occupational forces. Objects which serve art and science, even if they belong to the government, are to be considered private property.

As the enemy has destroyed a considerable part of the scientific installations of the Reich by bombing and as the enemy makes it impossible by the blockade to get the raw materials which are necessary for the production of such instruments in a total war, one cannot take into consideration the articles of the Hague Regulations mentioned. What is necessary for warfare must be taken from the occupied territory if it cannot be obtained in any other way or through any other channels. From this point of view the application for requisitioning the meridian circle for the purposes of the Wehrmacht cannot be refused but it must be demanded that the removal of the instrument is done on a lease basis and that promise be made that it will be returned after the war.

Signed: Loffler

PARTIAL TRANSLATION OF DOCUMENT ECH-19

Final report of Chief of Military Administration Part 11, Section 2, Subsection 9, Page 23.

Total Picture of the Consolidation of the Belgian Textile Industry

Kind of product	Original number of enterprises	Closed down enterprises	Enterprises planned for further production
I. *Wool:*			
Wascherei-kammereien	43 combing mills	37	6
Kammgarnspinnereien	36 worsted spinners ..	31	5
Streichgarnspinnereien	66 carding yarn mills.	32	34
Webereien	243 weaving mills	186	57
Filzfabriken	6 felt factories	1	5
Reissereien	32 willowing factories.	18	14
II. *Cotton:*			
Spinnereien	91 spinning mills	60	31
Webereien-Nahgarnfabriken .	531 weaving mills	[1] 363	168
Reissereien-Watterfabriken ..	52 willowing factories.	[2] 9	43
III. *Rayon:*			
Spinnereien	6 spinning mills	2	4
Webereien	56 weaving mills	35	21
IV. *Fiber:*			
Flachsspinnereien	21 flax spinning mills .	1	20
Flachsweberei-Nahgarnfabrik	105 flax weaving mills. Thread factories	53	52
V. *Fabrics (Excluding Flax):*			
Jute - Hartfaser - Hanfspinnereien	37 jute-hemp spinning mills	12	25
Jute- and Kokowebereien ...	58 jute coco fibre weaving mills	15	43
VI. *Knitting Mills*	633	417	216
VII. *Finishing Mills*	148	88	60
Total	2,164	1,360	804

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[1] Cotton thread fact.

[2] Cotton wool fact.

The Military Commander in Belgium and Northern France
Chief of Military Administration

O.U., 12 October 1940

Original presented to The Military Commander Infantry General von Falkenhausen, Brussels with the request to take note of it.

Signed Reeder

Annex 1:

The Fourth Decree in execution of the Foreign Exchange Ordinance of 27 August 1940 was misinterpreted by the public. It therefore seems necessary in the interest of the Belgian owner of foreign securities to give the following explanations in order to avoid any misunderstanding.

The public could see for itself already that in the second formulation of the printed form which has reference to the registration of the securities in question, that the word "offer" which appeared in the original wording is omitted. This was done on purpose, with the results, that all declarations in this respect—no matter what printed form had been used—are to be considered registrations and not offers.

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Economy Department, Group V.

"O.U." 3rd October 1940

Notes about a meeting with the Four-Year Plan
on Monday, 30th September 1940

Present: Ministerialdirektor Dr. Gramsch, Oberregierungsrat Kadgien, Regierungsrat Bergmann, Assessor v. Loebbecke, Four Year Plan.

Ministerialrat Roth, Oberregierungsrat Joerges, Reich Ministry for Economy.

Vice President Puhl, Reichsbank Board of Directors.

Rittmeister Dr. v. Becker, OKVR Dr. Hartenstein, OKVR Dr. Hofrichter, Lieutenant Herbeck, OKVR Dr. Flad, Director with the Reicksbank Sprockhoff.

I. The first point on the agenda was the freeing of the trade in Colonial securities in Belgium. Dr. Flad explained the legal situation as a result of the 4th Executive Order to the Foreign Exchange Decree. According to that, Belgian Colonial securities are treated in the same way as foreign securities with a result that any purchase and any sale must be approved according to the Foreign Exchange Laws and Stock Exchange trade is not possible. He explained the arguments which have been advanced on the part of the Belgians against these restrictions. These objections are justified. In the first place it has to be taken into consideration that approximately 70 percent of the Colonial securities are in the possession of the general public and always have been looked upon hitherto as investment securities of the first order. In Holland also the trade in Colonial securities has been freed of the restrictions of the Foreign Exchange Laws. Therefore, the Military Commander has advanced the demand to put the same regulations in force also for Belgium. Illegal capital transfer could be prevented by keeping in force compulsory deposit of Colonial securities. Further, the banks could be instructed to keep written records about the sale of all Colonial securities so that they are any time in a position to report about the changes in ownership of these securities.

After thorough discussion the members of the Four Year Plan agreed to our suggestion.

II. After that we discussed the permission which the Reich Ministry of Economics by order of the Four Year Plan gave to 25 German banks for the purchase of Belgian securities in the amount of RM. 500,000 each. In this respect it has been explicitly pointed out that this permission is applicable only to the purchase of Belgian securities and that the purchase in principle can only be concluded by participation of the four enemy banks which are pointed out in that letter. Upon our request it will be pointed out in a further letter that further applications, if possible, should be made by mail. As far as traveling of bank representatives into Belgium is absolutely necessary, these representatives shall only get in touch with the trustees of the aforementioned four banks, i.e. the Commissioner of Banks. Any contact with Belgian economic circles can only be effected with permission of the competent group leader of the Economic Department (OKVR Dr. Hartenstein, Deputy OKVR Dr. Flad).

Furthermore a letter of the Reich Ministry for Economics shall be sent to all other Departments stating that all persons who will receive traveling visas into Belgium will have to get in touch with the Reich Ministry of Economics before they open negotiations about the taking over of holdings in Belgium.

III. Ministerialdirektor Dr. Gramsch pointed out that the German production in the near future will have to be employed to a higher degree for German armament necessities. Therefore, he had the idea to pass on orders for civilian use from the German industry in a higher degree than so far, to Belgium and in such a form that the Belgian firms act as contractors for the German firms. He asked for our opinion in this respect. From our side this idea was heartily approved, in the first place in the interest of a better use of the Belgian production capacity, but also for improving in this way the cooperation between Belgian and German industry in connection with export to other markets.

PARTIAL TRANSLATION OF DOCUMENT ECH–22

Final report of Chief of Military Administration in Belgium and Northern France, part 10, Section 3, pages 27-28

As it was ascertained in the year 1943 that securities which were to be offered had not been turned in to the Emission Bank in spite of repeated notice and the Emission Bank declined to take energetic measures, it was ordered by the 11th Decree in execution of the Foreign Exchange Ordinance of the 30th of June 1943 that certain securities were to be offered to the Reichskreditkasse in Belgium, instead of being offered to the Emission Bank by virtue of the second and fourth decree in execution of the Foreign Exchange Ordinance. The Reichskreditkasse accomplished the turning in of the securities offered to them in a very short time.

In cases in which people did not comply with the order to turn in the securities the so-called "Devisenschutzkommando" Belgium was ordered to collect the securities.

By the 12th Decree in execution of the Foreign Exchange Ordinance dated 29 July 1943, the obligation to offer and turn in was extended to all foreign currency, goldcoins, pure gold and alloyed gold, as well as to physical and juridical persons having their permanent or ordinary residence, legal seat or place of management in the Belgian Congo. The gold for Foreign Exchange offered in virtue of this decree was summoned to be turned in and sold to the German Reich Bank.

* * * * * * *

From 1940 to 30 December 1943 in all 22.8 million RM in gold and 7 million RM in foreign exchange, totalling 29.8 million RM, had been turned in to the German Reichmarks by the Emission Bank, and the Reichskreditkasse in Belgium. The gold turned in came from the following sources according to a statement of the Reichsbank.

	RM
Emission Bank	16,813,959.52
Reichskreditkasse	5,955,196.42
Military Administration, on 11 Oct. 1943	1,913.85
Devisenschutzkommando	17,028.42
	22,788,098.21

It was not feasible to collect the claims in foreign exchange offered by the Belgian nationals, particularly their banking accounts, as the Belgian claims in enemy and neutral countries had been generally blocked.

In virtue of the Fourth Decree in execution of the Foreign Exchange Ordinance of 27 August 1940 also foreign and Belgian securities and foreign currency were to be offered and turned in. This decree caused considerable unrest among the Belgian public so that Military Administration had to give assurance to the Governor of the Société Générale de Belgique, M. Galopin, that the turning in of foreign securities would not be demanded. This promise was kept. Foreign securities were in no case demanded from their owner in virtue of the Foreign Exchange Ordinance.

PARTIAL TRANSLATION OF DOCUMENT ECH-23

Report on Supplies in the German interest in Belgium and Northern France in 1941 by Chief of Military Administration, pages 13, 17

The contribution for German account and in the German interest amount to 8,211,947 tons of coal worth RM 130,724,560 whereas the export in the German interests amount to 5,878,778 tons.

* * * * * * *

Contributions for German Account

Products	Wehrmacht		Other public consumers		Civilian consumers at same time export		Report in the German interest	
	1	2	3	4	5	6	7	8
Wool:	ts.	RM.	ts.	RM.	ts.	RM.	ts.	RM.
Raw material and semi-finished goods	..	..	..	..	..	..	20.000	35.713.00
Finished goods	1.879	22.240.000	..	..	1.951	19.507.000	..	..
Rayon:								
Thread and textiles made from rayon	..	..	..	..	..	..	3.583	20.774.00
Thread and textiles made from cotton and rayon:								
Raw material and semi-finished goods	5.502	..	..	22.001.000	..	..	..	..
Finished goods	..	..	..	..	..	..	15.892	37.366.00
Fibers	6.558	25.384.000	1.886	8.509.000	..	..	26.484	55.631.00
Total	..	47.624.000	..	30.510.000	..	19.507.000	..	149.504.00

TRANSLATION OF DOCUMENT ECH-24

To serve as an introduction to the final report of MVV Chef (Chief of Military Administration) Dr. Beyer

In the preface it must be pointed out, that naturally the officials of the interior administration were at the disposal for the work to a greater extent than the officials employed in business. All the latter from single fields were frequently employed at once for another job.

Furthermore, the unevenness of the contents of the contributions partly arising therefrom, which also is due to these reasons, must be pointed out.

PARTIAL TRANSLATION OF DOCUMENT ECR-14

The Commissar at the National Bank of Belgium, File No. 1456/41

Brussels, 24 March 1941.

SUBJECT: Explanation of the consolidated balance sheet of the National Bank of Belgium and the Emission Bank in Brussels, of 20.3.1941.

The consolidated balance sheet of 20.3.1941 shows the following changes compared to the previous week (13.3.41.):

Active

The claims on foreigners rose by 296 mill. bfrs to 1,579 mill. bfrs. In this sum is included 1,518 mill. bfrs of clearing claims (including 1,510 mill. bfrs arising from the German-Belgian clearing agreement). The increase is explained by out-payment of large clearing transfers to purchase Belgian capital participations in Balkan enterprises.

PARTIAL TRANSLATION OF DOCUMENT ECR-24

CONFIDENTIAL
Annual Report of the
Commissar at the National Bank of Belgium
(Report period: May 1940/May 1941)

I. National Bank of Belgium and Emission Bank in Brussels
    a. Restoration of money traffic
    b. Creation of the Emission Bank in Brussels
    c. Return of the National Bank of Belgium
    d. Securing of the gold: Belgian French Gold Agreement of 29.10.40
    e. Note Bank Balances

- *f.* Covering of the means of payment circulation
- *g.* Denominations of the banknote circulation
- *h.* Cash and giro money circulation
- *i.* Causes of the increases in circulation
- *k.* Money and capital market
- *l.* Cashless payment traffic

II. Clearing traffic
III. Foreign Exchange Control
IV. Postal checking traffic
V. Interest rates
VI. Banking supervision
    a. Private banks
    b. Semi-public institutions
    c. Private savings banks
    d. Mortgage credit institution
VII. Foreign bank branches—Enemy banks
VIII. German stronghold banks in Belgium
IX. German-Belgian capital ties [Kapitalverflechtung]

Annual Report of the Commissar at the National Bank of Belgium

(Report period: May 1940/May 1941)

After the conclusion of the first year of activity of the Commissar at the National Bank of Belgium I hereby present a comprehensive annual report.

I

National Bank of Belgium and Emission Bank in Brussels

a. At the time of the entrance of German troops into Belgium the National Bank of Belgium was no longer capable of work, since the management of the Bank had been transferred, in accordance with a Belgian law, outside the country to the seat of the Belgian Government at the time. Furthermore the Governor, the members of the Directorate except for one director, as well as the greatest part of the personnel had fled abroad and closed up the offices of the Brussels main office and the branches. The whole gold reserve, amounting to 24 billion (milliard) bfrs, the foreign exchange reserves and the bank's security holdings, the note reserve and the banknote printing plates had been taken abroad. The Director of the Bank who remained behind, who at first showed little willingness to provide immediate cooperation, had been almost completely deprived of legal powers of representation by Governor Janssen. He was only entitled to represent the bank in daily business.

For these reasons it was necessary to place the National Bank of Belgium under German control. Huntmaster [Rittmeister] Dr. Hans von Becker (owner of the private banking house of Comes & Co, in Berlin) was named Commissar at the National Bank of Belgium by an order of the Supreme Army Commander of 14 June 1940. Direktor bei der Reichsbank, Oberkriegsverwaltungsrat Dr. Hofrichter was named as his representative in office.

The restoration of money traffic in Belgium required pressingly a Note Bank completely capable of action. It is true that the National Bank of Belgium was able to be opened for emergency business on the basis of the available small note stocks as early as 3 June 1940. However, there were important considerations against restoration of its full powers by means of an order of the Military Commander, since Belgian public would hardly have had necessary confidence in a National Bank restored by force; furthermore the banknotes of the National Bank could not have remained in circulation and would have had to be replaced by new ones, since the removal of the note reserves and printing plates had brought with it the danger that newly printed banknotes would be brought through irregular channels from abroad to Belgium.

b. For all these reasons there appeared the unconditional necessity of founding a new Note Bank. This was done through an Order of the Military Commander in Belgium and Northern France, of 27 June 1940, concerning the foundation of an "Emission Bank in Brussels", after there had been success in winning the important personalities of the Belgian banking and business world to loyal collaboration. The new bank, which was founded in the form of a corporation under Belgian law, with a stock capital of 150 million bfrs, paid in up to 20%, began its activity on 15 July 1940. The business of the Emission Bank is delineated according to the usual principles for Note Banks, but the statutes nevertheless allow a flexible conduct of business in the German interest. The rights of the Commissar are laid down in detail. Most important of these is the rule that the Commissar has the right to give orders to the Emission Bank which serve the fulfilment of the tasks of the Bank. In order to make the Emission Bank capable of work as fast as possible and to be able to satisfy the most pressing credit needs of the country, there was provided for the initial period the printing of provisional banknotes in the amount of 1-1½ billion [Milliard] bfrs through a simplified process, to be succeeded by new banknotes with more careful printing. It was intended to withdraw all notes of the National

Bank of Belgium from circulation after their production. After the end of the exchange process planned for September 1940 only the notes of the Emission Bank would have remained in circulation. As coverage for the notes and giro deposits there were provided:

a. Claims arising from discount and loan business.

b. Claims against the National Bank of Belgium, as well as coins which are in circulation for the account of the State.

c. Stocks of foreign exchange, particularly of German means of payment including Reichskreditkassen certificates as well as deposits with the German Reichsbank, the German Verrechnungskasse (Clearing Institute) and the Reichskreditkassen.

c. The conclusion of the German-French armistice treaty on 25 June 1940 changed these plans fundamentally. The National Bank of Belgium returned with Governor Janssen [Governor Janssen died on 8.6.41 after a short illness] and the rest of the personnel from Mont de Marsan (Southern France) at the beginning of July 1940 to Belgium. By a decision of a General Assembly meeting of 15 July 1940, the official residence of the National Bank was again returned to Brussels. At the same time the values taken abroad, with the exception of the gold, were returned to Belgium. As a result of the return of the note printing plates, the note emission by the new Emission Bank was no longer necessary.

The Emission Bank, which continued to exist, uses the banknotes of the National Bank for cash payments, and borrows them from the National Bank. The indebtedness item "National Bank of Belgium" in the balance sheet of the Emission Bank [On 8 May 1941: 3,649,759,242.88 bfrs] therefore shows the amount of banknotes loaned by the National Bank.

In this way there are at present two completely separate note banks active in Belgium, whose close cooperation, however, is assured by a personal union of the bank management and all officials. Every official of the National Bank is accordingly at the same time an official of the Emission Bank with the same functions. The solution of this circumstance, which is to be considered provisional, is being reserved for a later period, and should depend on the future political development. In practice, in the meantime there has been developed a division of labor, which has been permitted with the reservation that the Emission Bank may again as in the past move into the sphere of activity of the National Bank in case the latter's statutes hinder business which is in the German interest. Thus the Emission Bank will in the first place take over the special tasks arising out of the occupation, that is:

a. All foreign exchange business which is connected with the control of foreign exchange
b. The administration of the clearing agreements
c. All business with German agencies and organizations, particularly the conduct of the occupation cost [Kontributions] accounts
d. The administration of private postal checking accounts on the basis of the separation of postal checking funds from the State Treasury under the agreement of 3 August 1940.

The National Bank carries out its statutory activity otherwise, i.e. takes on the credit business with the private economy and, in accordance with the Belgian laws, all money transactions for the State.

d. Special measures were necessary, furthermore, to secure the gold of the National Bank of Belgium. The whole gold stock of the National Bank of Belgium and third parties who had gold deposits with it, amounting to a total of 24.1 billion [milliard] bfrs had been taken abroad, as follows:

	Billion [milliard] bfrs.
Bank of England	10.7
Bank of France	8.0
Federal Reserve Bank of New York	5.1
Federal Reserve Bank of South Africa	0.3

After the conclusion of the German-French armistice it was possible to obtain from the Bank of France agreement to give up the Belgian gold deposit, which had been taken to Dakar (West Africa). On the basis of the Belgian-French Gold Agreement of 29 October 1940, concluded in Wiesbaden, the Bank of France obligated itself to bring the Belgian gold at its own risk to Marseilles; from there it was transferred to Berlin by officials of the German Reichsbank, in order to be placed with the German Reichsbank as a *depositum regulare.* Till now 1,199 chests of Belgian gold have been brought to Berlin in nine transports, containing 4,817 gold bars with a gross weight of 59,546 kg—ca. 168.7 million RM. The contents of these gold chests have been investigated by officials of the National Bank of Belgium for correctness. There were no complaints on this score.

According to French newspaper reports the New York Supreme Court, on request of the "Plenipotentiary" of the Belgian Government which fled to London, former Prime Minister Georges Theunis, has ordered the temporary confiscation of the gold stocks of the French Note Bank, amounting to 260 million dollars "To secure the claims of the National Bank of Belgium against the Bank of France."

In connection with the Belgian-French gold agreement, furthermore, there was issued the Order on Powers over the National Bank of Belgium, of 16.12.40, which gives the Commissar the same rights over the National Bank as over the Emission Bank, and furthermore gives him the power to represent the National Bank in agreement with the Military Commander, in special cases outside the country.

e. The many demands which have resulted for the country of Belgium from the last war, have naturally placed large additional demands on the credit of the Note Bank. A comparison of the consolidated bank balance of the National Bank of Belgium and the Emission Bank in Brussels, of 8.5.41 with the balance sheet of the National Bank on 8.5.40 (last pre-war balance) shows the following important changes:

[In million bfrs.]

	8.5.41	8.5.40	Change compared to—	
			8.5.40	Percent
Liabilities				
Banknote circulation	38,662	29,806	* 8,856	*29
Deposit accounts	2,055	909	* 1,146	*126
Postal checking accounts ...	3,489	. .	* 3,489	
Demand liabilities	44,206	30,715	*13,491	
Assets				
State credits	14,884	4,748	*10,136	*213
Private credits	555	1,523	— 968	— 63
Securities	1,748	1,480	* 268	* 18
Foreign exchange	5,993	19	* 5,974	*31,804
Gold	21,657	23,405	— 1,748	— 7
			*13,662	

The main change on the liabilities side appears to be the increase in banknote circulation within a period of one year of 8,856 mill. bfrs. to 38,662 mill. bfrs.=*29 percent. Considering the increase in giro accounts by 1,146, and in postal checking accounts by 3,489, there results since 8 May 1940 an increase in total liabilities of 13,491 to 44,206 mill. bfrs.=44 percent.

This increase in liabilities has been caused by the following development on the assets side.

		Mill bfrs.
1. Increase in State credits by to 14,884 mill.bfrs, which with the exception of the bookkeeping transfer of 3,059 mill.bfrs for the postal checking deposits, has been caused by the occupation costs paid during the period of this report, amounting to 9,750 mill.bfrs.		10,136
2. Increase in the devisen stock from 19 mill. by to 5,993 mill.bfrs as a result of the following:		5,974
a. Balance at the German Verrechnungskasse (Clearing balance)	*1,474	
b. Balance at the German Reichsbank (Capital transfer acc't)	*153	
c. Exchange of Reichskreditkassen certificates	*3,450	
d. Deposits at RKK, Brussels	*251	
Claim against the Reich	5,328	
Other foreign exchange (mostly bfrs. notes)	*646	
	5,974	
Of the foreign exchange, not less than 89% represents claims against the Reich.		
3. Increase in security holdings (Open Market Policy)		268
		16,378
4. Decrease in private credits by to the lowest point in the year of this report, 555 mill.bfrs as a result of the widespread money liquidity and the low employed proportion of the economy.	968	
5. Decrease in gold stock by as a result of gold payments in the time before the return of the National Bank to Brussels.	1,748	2,716
		13,662

* Included herein is a bookkeeping transfer of 3,059 mill.bfrs, which has been transferred on the basis of the Postal Checking Agreement of 3.8.40 in one sum to the Emission Bank.

f. According to Article 30 of the constitution of the National Bank the demand liabilities must be covered up to 40% with gold or gold foreign exchange, of which at least 30% must be covered by the gold reserve alone.

According to the bank statement of 8 May 1941 the demand liabilities amounted to 44,206 mill. bfrs. The 40% coverage required 17,682 mill. in gold. Compared to the gold stock reported in the balance sheet at 21,657 mill. bfrs (at present time the bank holds no gold foreign exchange) there results a reserve still free for covering purposes of 3,975 mill. bfrs, for which on the basis of the bank constitution an additional 9.936 mill. bfrs of banknotes can be issued, or giro deposits can be created, without violating the formal coverage requirements of the Belgian banking law.

* * * * * * *

h. The cash and giro money circulation in Belgium at the beginning of May 1941 may be estimated at 44.0 billion [milliard] bfrs., compared to 41.7 billion [milliard] bfrs. in January 1941, 32.3 in May 1940, and 23.0 in the years before 1938.

It is composed as follows:

[In million bfrs.]

	1 May 1941	8 May 1940	Change compared to 8.5.40
National Bank Notes	38,415	29,805	*8,610
State Notes	1,424	528	*896
Coins	1,304	1,078	*226
	41,143	31,411	*9,732
Estimated circulation of RKK certificates	900	..	*900
Cash Circulation	42,043	31,411	*10,632
Giro deposits	2,037	909	*1,128
Total cash and giro money circulation	44,080	32,320	*11,760

According to this, the cash and giro circulation increased within a period of one year by 36%, compared with the years before the war with a fully employed economy, by not less than 90%. It should be considered here that this circulation exists side by side with a much less employed economy, compared to normal times.

In order to remove or limit the effects of the increase in means of circulation, the Military Administration and the Belgian state agencies have undertaken measures for a thorough distribution of goods and a corresponding control of prices. However, till now the measures concerned have not been able to work out fully, because of the liberalistic lack of discipline on the part of the population and the still insufficient work of the control mechanisms, which don't know how to master the black market. It was possible to hinder the serious consequences of the surplus of money resulting mainly from the using up of stocks which could not be purchased again, in some of the controlled sectors. In the consumption sphere, however, a considerable disproportion between supply and demand has gradually appeared.

i. The causes of the increase in circulation are found in the following three factors:

1. In the expenditure of Reichskreditkassen certificates by the troops, and their exchange into bfrs notes.
2. In the development of the clearing balance, i.e. in the issuing of Belgian banknotes against claims on the German Verrechnungskasse and the Reichsbank, which have arisen from the goods, services and payments traffic between Germany and Belgium.
3. In the high uncovered state expenditures, mainly for the supply of the occupation costs.

The following detailed remarks are to be made to this.

To 1—In the period from May to October 1940 an estimated 320 to 336 mill. RM=4.0 to 4.2 billion [milliard] bfrs in Reichskreditkassen certificates have been brought into circulation in Belgium, of which 274 million RM have been withdrawn from circulation till 1 May 1941, and have been returned by the National Bank of Belgium to the Central Administration of the Reichskreditkassen. The bfr circulation increase caused by this amounted to 3.4 billion [milliard] bfrs. The circulation of Reichskreditkassen certificates in Belgium is estimated at about 700 to 800 million bfrs = 56 to 64 million RM at the end of May 1941.

To 2—The monetary results of the continually increasing clearing credit of the Emission Bank at the German Verrechnunskasse in Berlin have till now kept within more or less bearable limits, particularly since these additional credit requirements are counterbalanced by a heavy decrease in private credits. The circulation increase necessary for this amounted to 1.6 billion [milliard] bfrs. Section II gives further details on the development of the clearing traffic.

To 3—The danger to the Belgian currency exists above all in the height of the uncovered state expenditures, particularly in the provision of the occupation costs. The covering of the uncovered budgetary deficit of the Belgian State by the money and capital market has till now been completely successful. However, the deficit falling to the occupation costs could no longer be fully covered through the money and capital market and had to be financed by credit from the Note Bank. Thus of the total additional State need of about 17 billion [milliard] bfrs, 10 billion [milliard] was taken up in the period of this report and the remainder, 7 billion [milliard] was covered by inflationary increases in monetary circulation by the Note Bank.

The need for credit and the procurement of the means is shown in the following table:

	Mill.bfrs.
1. Occupation costs to 8.5.41 (of which 250 mill. in form of advances)	9,750
Belgian war costs till Aug. 1940	1,900
Budgetary deficit May 40–May 41	5,621
	17,271
2. Treasury Bills issued from 15.8.40 to 8.5.41	14,971
Cash payments for ten-year loan 1940/50	2,300
	17,271
3. Of above Treasury Bills, sold to National Bank	7,077
Postal Check Office	760
Open market	7,134
	14,971
10-Year Loan 1940/50	2,300
	17,271

The Belgian banks have placed themselves completely at [our] disposal in taking up treasury certificates, which are issued with a maturation period of 1 to 36 months. They have placed in treasury certificates their whole increase in deposits as well as the means freed by the decrease in private loans.

Previously the capital market was only in a position to take over state loans in limited quantities. In October 1940 a 4% ten year loan of 3 billion [milliard] bfrs was issued for the purpose of consolidating the short-term state debts, which however was only completely subscribed in April 1941. In May 1941 a new 3½% loan without maximal limit and only with a five year maturity was issued, which found a more favorable reception from the Belgian public and has brought in about 1.4 billion [milliard] bfrs up to the end of May.

* * * * * * *

1. The encouragement of cashless payment traffic, which if measured by German standards has not yet been fully developed in Belgium is to be pressingly recommended as a further means of limiting the continually increasing banknote circulation. At first the very large payments of the German Armed Forces were included, and at the beginning of January 1941 an Army Transfer Office [Kasse] was created which carries out payments of more than RM 200 without cash, using the Reichskreditkasse, the Emission Bank and the Postal Checking Office. This procedure was later used by the Air Force, Navy, NSKK, and Organization Todt. The turnover of the Army Transfer Office amounted to

	Checks	Total RM
January 1941	2,047	12,019,774
February 1941	4,946	16,498,946
March 1941	6,042	24,900,788
April 1941	5,722	21,437,321
May 1941	5,234	22,083,843
	23,991	96,940,672

The decrease in turnover since March is the result of the transfer of large masses of troops from Belgium and Northern France to the East.

The form used by the Armed Forces pay offices for their payment orders has been coordinated with the example of the German unified form of the great banks. The Belgian Postal Checking Office has agreed to take this form over in its sphere and to transmit it to the final payee. The creation and introduction of a unified transfer form is being considered.

Within the framework of this effort to encourage the cashless payments the banks have declared themselves ready to receive without surcharge transfer orders in favor of customers of other credit institutions for payment in another place, as well as to accept checks to a greater extent than before for payment of bills. Other measures to encourage cashless transfers are being prepared.

II

Clearing traffic

The clearing traffic between Germany and Belgium was resumed as early as 10 July 1940. In the beginning the National Bank was introduced as the account-keeping institution on the Belgian side, but after a short period the clearing account was shifted, in response to a German demand, to the Emission Bank, which thus takes up the task which is fulfilled in the Reich by the German Verrechnungskasse.

Belgium was connected for payments with 18 countries through the multilateral central clearing in Berlin in May 1941. With the exception of the payments traffic with Russia, which provides for a direct clearing between the two note banks, clearing for all countries is made through the account of the Emission Bank with the German Verrechnungskasse.

Since it was to be foreseen that as a result of the increased deliveries from Belgium to the Reich, which were not matched by opposite accounts particularly in the early period, the clearing status would develop in a considerable degree to the favor of the Emission Bank, an unlimited transfer agreement was signed between the German Reichsbank and the Emission Bank in Brussels on 16-17 August 1940. This agreement obligates the two note banks, without reference to the status of the clearing agreement at the time, to immediately allow transferred amounts to be paid out. This agreement was not used at first, however, since the Belgian State had taken over a payment guarantee to the Emission Bank up to the sum of 1.5 billion [milliard] bfrs. When in April 1941, as the result of increasing capital payments from Germany to Belgium [capital ties—Kapitalverflechtung] the clearing balance went over the limit of 1.5 billion [milliard] bfrs, the transfer agreement mentioned above had to be set into effect, at the same time that the capital traffic was separated from goods and services traffic, which however required that the Emission Bank be held to the agreement by a direct order from the Commissar. Effective 1 May 1941 the capital payments will be made through the "Special Account" [Sonderkonto] of the Emission Bank in Brussels at the German Reichsbank.

The development of the total clearing balance shows the following picture:

	Million bfrs.
1 October 1940	467
2 January 1941	911
1 April 1941	1,498
8 May 1941	1,683

(up to 28 June 1941 increased to over 2.2 billion [milliard] bfrs.)

The balance of 1,683 million bfrs. is divided as follows among the various countries:

	Million bfrs.	
Claim against:		
Germany	1,785	
Holland	105	
Norway	22	
Yugoslavia	7	1,919
Debt to:		
Sweden	26	
Italy	73	
France	24	
Switzerland	42	
Bohemia-Moravia	55	
Various	16	236
Net claim		1,683

The clearing traffic with Germany, in first place in importance, shows the following development (since 10.7.40) In-payments in Berlin = 5,562 mill. bfrs.; In-payments in Brussels = 3,777.

The balance of 1,785 million bfrs. on 8 May 1940 is due about 50% to capital payments, 30% to goods payments, 20% to services. The goods and services traffic between the two countries, which showed a certain one-sidedness, particularly in the beginning, has more or less equalized itself since the beginning of this year. On the other hand the proportion of capital payments between Germany and Belgium has come to increase, while for the time being only small capital payments flow in the opposite direction. However, measures are being considered which will convert the one-sided capital traffic into a bilateral relationship, among measures thought of being the resumption of interest payments on Belgian State loans placed abroad and the new placement of German securities in Belgium as a counterpoise to the German purchase of participations in Belgian firms.

The Belgian-Dutch clearing traffic, which stands in second place in importance, shows the following development up to 8 May 1941: (since 7.8.1940) In-payments in the Hague 1,434 mill. bfrs.; In-payments in Brussels 1,329. The rest of the clearing agreements are unimportant in comparison to the two mentioned above; their movements have no influence on the total picture.

The total turnover in clearing has attained the following sums up to 8 May 1941: In-payments in Berlin = 7,367 mill. bfrs.; in Brussels = 5,684.

Up to 8 May 1941 the Emission Bank in Brussels has received a total of 207,681 clearing in-payments and has carried through 158,227 clearing out-payments.

The old obligations which could not be liquidated as a result of the outbreak of the war, had to be paid into special accounts at the Note Banks concerned in accordance with the individual clearing agreements, which had already taken place to a large extent with the exception of the in-payments to the favor of France. The status of old obligations not yet liquidated amounted at the end of May 1941 to

	Mill. bfrs.
Claims against France	135
General Gov't.	2
Total	137
Debts to:	
Switzerland	26
Sweden	24
Hungary	11
Bohemia-Moravia	13
Denmark	1
Total	75

It is intended to clear off these old obligations through the Berlin Central Clearing. Considering the payments still to be made to France, the total balance would thus experience a decrease of about 200 mill. bfrs.

III

Foreign Exchange Control

Copying from the German foreign exchange regulations, a Foreign Exchange Law was introduced in Belgium effective 17 June 1940, followed by seven Administrative Orders up to May of this year.

The surrender of gold and foreign banknotes on the basis of the 2nd and 4th Administrative Orders produced up to May 1941. 171 million bfrs. in gold and 110 in foreign exchange, i.e. a total of 22.5 million Reichsmarks, which has been delivered by the Emission Bank to the German Reichsbank in Berlin.

To unburden the Reichskreditkasse, the Emission Bank was charged in November 1940 with the exchange of Reichsmark notes for Belgian migratory workers and the population, in so far as the population could prove that these notes were received for the sale of goods. Till 8 May 1941 in this way a total of 2,609.00 [?2,609,000] RM in Reichsmark notes was exchanged against bfr notes.

On the basis of an Administrative Order to the Foreign Exchange law, on 27 August 1940, claims in foreign currency, particularly foreign securities, had to be declared and offered to the Emission Bank. The statistical evaluation of these reports according to type and currency is done by the German Reichsbank or the German Golddiskontbank. According to the reports received up to now, the capital and goods claims of Belgium amount to

[In million bfrs.]

Country	Capital Claim	Goods Claim	Total	= Reichsmarks (in mill. RM)
U.S.A.	4,514	1,211	5,725	458
France	1,021	895	1,916	153
Holland	1,031	421	1,452	116
England	667	532	1,199	96
Greece	19	480	499	40
Spain	409	80	489	39
Switzerland	343	108	451	36
Norway	153	49	201	16
Italy	96	84	180	14
Other countries (not available as yet)	...	1,273	..	..

It was not possible to undertake the offering and delivery of these foreign claims because of the blocking of Belgian foreign claims.

In order to obtain a summary of the foreign debts of Belgian, these were required to be reported by the law of 7 March 1941. The result of this material, which is being processed in Berlin, is not available as yet.

IV

Postal Checking Traffic

On the occupation of the country the postal checking traffic was at a standstill, since the Belgian Government had fled with all available funds and records. Thus the 442,000 private accounts with a total value of 3 billion [milliard] bfrs of deposits were without coverage. It was possible after the return of the records to restore the postal checking traffic to operation after long negotiations, and to reopen the transfer traffic on 22 July and the cash traffic on 5 August 1940.

The means required for the initial period were made available by the Emission Bank on the basis of an agreement with the General Secretary of the Finance Ministry of 3 August 1940, against the issue of a non-interest bearing treasury certificate for 3,059 mill. bfrs. The favorable development of the movement of deposits had as a result that this credit hardly needed to be drawn on at all, and that the original withdrawal limit of 50,000 bfrs. monthly was taken off as early as 19 August.

The agreement of 3 August 1940 provided that the administration of the private postal checking accounts is given over to the Emission Bank, while previously all money received by the Postal Checking Office was placed at the disposal of the State without interest. Through this strict separation of the Postal Checking Service from the Belgian State it was possible to quickly win back the confidence of the population in this institution, which is very important in the Belgian economic life. This can be seen from the development of the deposits.

	No. of accounts	Private deposits	Monthly turnover	Of which, cashless transfer percent
		In millions		
15 May 1940	455,044	2,957	14,040	..
31 July 1940	455,008	3,213	1,134	..
31 Dec. 1940	461,719	3,834	31,701	88.5
31 May 1941	45,303*	4,704	43,164	90.0

* Decrease is due to the transfer of accounts in the Eupen-Malmedy area to the German Postal Checking system.

* * * * * * *

VI

Banking Supervision

In order to be able to supervise and equip the banking system according to German points of view, the Banking Supervision Office (Bankaufsichtsamt) was created by the order of 14 June 1940, and its management was also given over to the Commissar at the National Bank of Belgium, Rittmeister Dr. von Becker. His representative in office is Direktor bei der Reichsbank, OKVR Dr. Hofrichter.

This supervision at present is applied to the following credit institutions:

- *a.* the private banks
- *b.* the semi-public credit institutions
- *c.* the private savings banks and
- *d.* the mortgage credit institutions

This group has been extended by the Administrative Order to the Banking Supervision Decree, of 20 June 1941, which in particular extends the banking supervision to the financing institutions and the holding companies belonging to the banking sector. To *a* Private banks

The Belgian banking system is structurally heavily influenced by the large banks with branch systems, of which the Banque de la Société Générale de Belgique is by far the most important. This leading position is also expressed in the fact that it has the influential word in the Belgian Banking Association as well as the leadership in the Belgian State loan consortiums. In second place, though separated by a rather considerable distance, is the Banque de Bruxelles, and the third great bank is the Kredietbank voor Handel en Nijverheid, which has had an important increase in position, particularly since the occupation.

* * * * * * *

The means of the banks controlled by the Belgian Banking Commission show an increase of 5 billion [milliard] bfrs within a year's time:

[In million bfrs]

	30.4.41	30.4.40	Change compared to previous year
Paid-in capital	2,112	2,201	—89
Reserves	566	524	*42
Deposits and current account	18,599	13,546	*5,053
Treasurer's Certificates	28	28	..
	21,305	16,299	*5,006

The decrease in internal means, by 89 million bfrs, is the result of the elimination of 16 banks by striking them off the banking list.

Corresponding to the general liquidity of money means the deposit and current accounts show an increase of 5,053 = 37% in a year's time, and an increase of 7,123 mill. bfrs. = 62% compared to the low point on 31 May 1940. The exact development is to be seen in the table on page . . . The increase in deposits is almost exclusively due to an increase in short-term money (demand deposits and monthly money). It is distributed as follows among the important banking institutions:

	30.4.41	30.4.40	Increase within a year's period
			Percent
Banque de la Société Générale..	8,071	5,823	*2,248= 38
Banque de Bruxelles	3,357	2,123	*1,234= 58
Kredietbank voor Handel en Nijverheid	1,635	665	* 970=146
	13,063	8,611	*4,452
Other banks	5,536	4,935	* 601= 12
	18,599	13,546	*5,053

The banks are extraordinarily liquid. The average liquidity of all institutions amounts to 84%, only for 11 banks is it below 50%. The average relationship of internal to external means is calculated at 12.52%, i.e. the external means amount to eight times the internal. This relationship is to be considered favorable.

2. The decrease in raw material stocks and the cutting off from Belgium of a large part of its pre-war suppliers and customers led forcibly to a decrease in private credit business. While the volume of such credits remained more or less stable to the end of July 1940 at about 8.5 billion [milliard] bfrs., there came in August a heavy decrease by 700 million bfrs., which continued in less extreme degree until the end of April 1941, reaching a level of 6.3 billion [milliard] bfrs. Of the decrease of 2,071 million bfrs, 1,520 mill. bfrs results from the decrease in the commercial bill portfolios and 551 mill. from decreases in current account credits.

3. The ever smaller investment possibilities in the private sector forced the banks to convert to satisfaction of public credit

needs in ever increasing measure by taking over treasury certificates. The following table shows a picture of the development of the main types of business.

[In million bfrs.]

Date	Deposits	* or—compared to previous month	Private credits	State credits
30.12.39	12,684	—821	8,951	3,913
30. 1.40	12,786	*102	8,837	4,630
29. 2.40	12,912	*126	8,929	4,536
30. 3.40	13,356	*444	8,769	4,887
30. 4.40	13,546	*190	8,498	5,266
31. 5.40	11,476	—2,070	8,724	5,309
30. 6.40	12,143	*667	8,870	5,314
31. 7.40	13,611	*1,467	8,769	5,353
31. 8.40	13,896	*286	8,086	6,127
30. 9.40	14,265	*369	7,980	6,417
31.10.40	15,091	*826	7,867	7,269
30.11.40	15,733	*641	7,632	8,022
31.12.40	16,068	*337	7,286	7,670
31. 1.41	16,600	*531	6,944	9,747
28. 2.41	17,167	*567	6,475	10,454
31. 3.41	18,075	*908	6,565	10,626
30. 4.41	18,599	*524	6,346	12,110

From this it may be seen that the new funds flowing to the banks since April 1940, amounting to

		Mill. bfrs.
a. Increase in deposits of		5,053
b. Repaid private credits	Mills. bfrs 2,071	
Minus bills rediscounted by the banks at other institutions amounting to	731	1,340
		6,393

have been wholly placed in state credits (*6,844 mill. bfrs). The sum of 451 mill. bfrs not covered by this was provided by a decrease in the holdings of call money [Tagesgeld] and the withdrawal of deposits at other banks.

The foreign exchange position of the Belgian private banks was active at the end of April 1941, to 438 mill. bfrs.

Of this,

	Mill. bfrs.
Belgian securities reading in foreign currencies	114
Foreign State paper	33
Shares and other securities in foreign currency	119
Reichskreditkassen certificates	55
Other foreign exchange	117
Total	438

The net profit of the five largest banks named at the beginning shows only a small decline for the business year 1940 as compared to the previous year, amounting to 40 million, leaving 576 mill. bfrs., although at present many possible types of activity cannot be fully exploited. This is true above all for stock market, securities emission and foreign exchange business.

* * * * * * *

Foreign Bank Branches—Enemy Banks

With the introduction of the Military Administration there arose the necessity of finding a procedure for dealing with the foreign banks, particularly the English and French bank branches.

Of the three large American bank subsidiaries, namely the National City Bank of New York, the Guaranty Trust Company of New York, and the American Express Company, the first one named has in the meantime with permission of the Banking Supervision Office been taken over by the Kredietbank voor Handel en Nijverheid N.V. The two other banks have been limited to one branch each and continue in business.

The Dutch banking establishments in Belgium are only of little importance.

On the other hand the English and Franch bank branches—the so-called Enemy Banks [Feindbanken] * have been very active. These institutions usually disposed of little internal capital and their credit rested almost exclusively on the reputation of the owning house, which invested means above the original allotment of capital only in case of need. Even the original capital was in part supplied by only a book credit without transfer to Belgium. The profits and losses resulting each year were cleared at the closing of the year's books with the owning house. All this forcibly brought undesirable consequences when the connections with the owning house were broken off by the war.

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* The following institutions were placed under the direction of a German Administrator:

French: Banque de Paris et de Pays-Bas, Credit Lyonnais, Comptoir Nationl d' Escompte de Paris. Societe Francaise de Banque et de Depots, Credit due Nord Belge, Societe de Credit Industriel et Commercial, Jules Joire.

English: Lloyds and National Provincial Foreign Bank Ltd., Westminster Foreign Bank Ltd.

Jewish: II, Lambert SA.

Since enforced liquidation was not possible in consideration of possible consequences against German institutions in enemy countries, it was decided to place the enemy banks directly under the supervision of a German administrator within the framework of the enemy property law. For practical considerations the Commissar at the National Bank of Belgium was named as Administrator for these banks and as such was registered in the Corporation Register with his deputy. Permanent Deputies, appointed from banking specialists drawn from the Reich, were placed in charge of current business. The functions of the Boards and other persons with legal powers were placed out of effect. The persons remaining in Belgium and entitled to legally represent the bank were usually hired again in positions without legal powers.

The development of the enemy banks is satisfactory. The disappearance of assets and liabilities which naturally arose at the beginning of the war events has come to a standstill and has in part been reversed. Small operating losses as a result of the general decrease in business could not be avoided by the enemy banks either. However, there has been success in part in causing the Paris owners or holding companies of the enemy banks to take over the business losses of the Belgian subsidiaries. As a whole there was success in continuing the enemy banks without decreasing the available values and without endangering the deposits, in order to be able to utilize them later for uses lying in the German interest.

The satisfactory development of the enemy banks is not to be attributed least of all to the securities purchases made by German banks through the agency of the enemy banks up till the founding of their own German banking strongholds, within the framework of the capital penetration [Kapitalverflechtung].

German stronghold banks in Belgium

The increasing economic activity of the Reich in the Belgian economic space—as for example the letting of large industrial contracts, the obtaining of influence in the Belgian shipping and shipbuilding industries, the development of Belgian production and the delivery of German raw materials and foodstuffs—has brought with it in increasing measure financing tasks, for which the enemy banks cannot always be drawn in because of the confidential nature of the business, if for no other reasons. Furthermore, in the long run it cannot be permitted that the enemy banks have directed to them from the German side continually profitable business, while German institutions were not represented in Belgium. For these reasons the Reich Economics Ministry permitted, at the suggestion of the Banking Supervision Office, the following German banks to found strongholds [Stuetzpunkten] in Belgium:

1. The Dresdner Bank, which took up activities under the name of Continentale Bank SA, NV. This is in the form of a corporation under Belgian law, and has a stock capital of 10 mill. bfrs.
2. The Bank der deutschen Arbeit AG, which also founded in the form of a corporation under Belgian law on 28 April 1941 a stronghold with a capitalization of 10 mill. bfrs under the title of Westbank—Banque de L'Ouest—N.V. S.A. in Brussels.
3. The Deutsche Bank, which has created a representation in Brussels without bookkeeping and treasury.
4. The Commerzbank, AG, which intends in the near future to open a representation in Brussels.

The first and main task of the German banking representation in Belgium is the creation of its business according to the interest and demands of the German economy. Desires for credit which arise within the framework of the sub-contracting [Auftragsverlagerung] or other important war economy tasks, are supposed to be granted without question by the German banks as far as possible, in connection with a refinancing at Belgian banks in their own names may be useful.

German Belgian capital penetration [Kapitalverflechtung]

According to the directives of the Reich Marshal Goering, as early as September 1940, the first measures for a closer formation of capital ties between the Belgian and German economy were taken. Two different procedures are concerned here:

1. Direct negotiation between German industrialists and Belgian industrialists, for the purpose of obtaining constructive participations in important Belgian enterprises which offer the basis for collaboration between the two economies even after the war. Furthermore, it is desired to transfer to German hands important Belgian participation in foreign enterprises whose ad-

ministration is located in Belgium, particularly insofar as enterprises are concerned which are located in the Balkans, and in which a general German interest exists.

2. Ties which result from purchase of stock by German parties on the Belgian stock markets. For this purpose the Reich Economics Minister has given general permission to 32 German banks to obtain participation rights, particularly stocks, in a limited quantity in Belgium. Till now use has been made of this permission in the amount of about 25 million RM, to which can be added an additional 10 mill. RM for the procurement of Belgian participations in Rumania, Bulgaria, and the former Poland.

(signed) von Becker.

EMISSION BANK IN BRUSSELS
CHARTER
BRUSSELS
PRINTING PLANT OF THE EMISSION BANK IN BRUSSELS
1940

[Printed in booklet form and attached to main document]

* * * * * * *

On the 13 July of the year one thousand nine hundred and forty there appeared before Mr. Octave de Heyn, in the presence of the Notary Mr. Hubert Scheyven, both Notaries in Brussels:

1. The Banque de la Societe Generale de Belgique, Incorporated, located in Brussels, Montagne du Parc, 3, represented here by Mr. Willy de Munck, President of the named bank, living in Brussels, Rue de la Loi, 149, according to the powers granted on 10 July of this year.

2. The Banque de Bruxelles, Incorporated, located in Brussels, Rue de la Regence, 2, represented here by Mr. May Leo Gerard, President of the named bank, living in Uccle, Avenue des Ormeaux, 4, according to the powers granted on 12 July of this year.

3. The Societe Belge de Banque, Incorporated, located in Brussels, Avenue Louise, 61, represented here by Mr. Albert Edouard Janssen, President of the named bank, living in Brussels, Rue de la Loi, 85, according to the powers granted on 12 July of this year.

4. The Banque de Reports et de Depots, Incorporated, located in Brussels, Rue des Colonies, 11, represented here by Mr. Fernand Puissant Baeyens, managing director [Verwaltungsrat] of the named bank, living in Brussels, Avenue des Nations, 202, according to the powers granted on 12 July of this year.

5. The Krediet Bank voor Handel en Nijverheid, Incorporated, located in Antwerp and the Main Branch in Brussels, Rue d'Aren-

berg, 7, represented here by Mr. Fernand Collin, President of the Management Board [Verwaltungsrat] of the named bank, living in Antwerp, Chaussee de Malines, 198, according to the powers granted on 10 July of this year.

6. The Societe Generale de Belgique, Incorporated, located in Brussels. Montagne du Parc, 3, represented here by Mr. Alexandre Galopin, Governor of the named bank, living in Etterbeek, Boulevard Saint-Michel, 30, according to the powers granted on 10 July of this year.

7. The Societe de Bruxelles pour la Finance et l'Industrie (Brufina), Incorporated, located in Brussels, Rue de la Regence, 2, represented here by Mr. Baron Paul de Launoit, President of the named bank, living in Liege, Avenue Rogier, 28, according to the powers granted on the 11 July of this year.

8. The Campagnie Financiere et Industrialle (Cofindus), Incorporated, located in Brussels, Rue Royale, 71, represented here by the Baron Paul de Launoit, named above, President of the named corporation, according to powers granted on the 10 July of the current year.

9. The Compagnies Reunies d'Electricite et de transports (Electrorail), Inc., located in Brussels, Rue du Congres, 16, represented here by Jean Baron Empain, President of the named corporation living in Brussels, Ru du Congress, 33, acc. to powers granted on the 10 July of this year.

10. The Mutuelle Solvay (Solvay, Tournay, Hankar, Boel et Cie), Limited Partnership (Kommanditgesellschaft) located in Brussels, Place Stephanie, 1, represented here by Mr. Ernest-John Solvary, Managing Director of the named company, living at La Hulpe, Chateau de la Hulpe, according to powers granted on the 12 July of this year.

* * * * * * *

(2) The persons appearing have petitioned the undersigned notaries to publish the wording of the charter of the company laid down as follows, which they declare founded according to the Order of the Military Commander in Belgium and Northern France of 27 June 1940:

* * * * * * *

SECTION II

Founding Capital

Art. 4.

(1) The founding capital amounts to one hundred fifty million Belgian francs, divided into fifteen thousand shares, each of ten thousand francs.

ECR-24

(2) At the same time the appearing companies, which act in their own names and as plenipotentiaries of a group, have declared, that they sign for the fifteen thousand shares created hereby in the following proportion:

1. The Banque de la Societe Generale de Belgique for its own account as well as for the Banque d'Anvers, Inc. located in Antwerp, two thousand five hundred shares	2,500
2. The Banque de Bruxelles, Inc., fifteen hundred shares	1,500
3. The Societe Belge de Banque, Inc., five hundred shares	500
4. The Banque de Reports et de Depots, Inc., five hundred shares	500
5. Krediet Bank voor Handel en Nijverheid, Inc., one thousand shares	1,000
6. The Societe Generale de Belgique, Inc., three thousand five hundred shares	3,500
7. Societe de Bruxelles pour la finance et l'Industrie (Brufina), Inc., twelve hundred fifty shares	1,250
8. Compagnie Financiere et Industrielle (Confindus) Inc., seven hundred fifty shares	750
9. Compagnies Reunies d'Electricite et de Transports "Electrorail", Inc., fifteen hundred shares	1,500
10. The Mutuelle Solvay (Solvay, Tournay, Hankar, Boel et Cie) Ltd., two thousand shares	2,000
	15,000

(3) The persons appearing request the undersigned notaries to publish that the fifteen thousand shares each of ten thousand francs have been fully signed at a price of ten thousand francs per share, and that on each share twenty per cent of this sum, that is two thousand francs per share and therefore a total of thirty million francs in cash have been paid in. This sum is now at the free disposition of the Bank.

* * * * * * *

(6) Every transfer of shares must previously be approved by the Management Board [Verwaldtungsrat]; the Management Board can refuse the permission without information as to reason.

* * * * * * *

SECTION VII

Supervision and Control Measures

* * * * * * *

Art. 23

(1) The Commissar at the National Bank is to be currently informed of all measures of the Bank. He can obtain information on all business of the bank.

* * * * * * *

(3) All important measures of the President, the Managing Directors and the Managing Board, particularly the granting of credits as well as the setting of the interest rates applying to business with the Bank, require the agreement of the Commissar at the National Bank of Belgium. The Commissar can give his general permission for individual groups of transactions; he can revoke this agreement at any time.

(4) The Commissar is entitled to give orders [Weisungen] which serve the fulfilment of the tasks of the Bank.

Art. 24

The President prepares a weekly balance sheet. This balance sheet can be published in whole or in extract.

TRANSLATION OF DOCUMENT ECR-32

Management Board [Verwaltungsrat]
of the Reichskreditkassen, No. 684 [?]

Berlin C 111, 14 July 1941

Enclosed we send a copy of a letter coming to us from the Deputy for the Four Year Plan, dated 30th of this month, in which a decision is made on the collecting of occupation cost contributions in Belgium. According to this the taking up of a credit by the Central Administration to cover the franc needs of the German troops is no longer to be considered. The credit taken up already is to be covered as soon as possible; see No. 6 of the enclosure. Concerning the withdrawal of the Reichskreditkassen certificates given out in Belgium from circulation see No. 5 of the enclosure.

Management Board of the Reichskreditkassen
Attested to by (signed) SCHAUMANN [?]
Reichsbankinspektor

To the Central Administration of the Reichskreditkassen
here

[Pencilled notes as follows: to be shown to Reichsbankdirektor Wilz. Copy of these and enclosure to be sent to Director Dr. Schulte in Brussels]

Copy
Copy of File No. IIa 10744/41
The Reich Marshal of the Greater German Reich
Deputy for the Four Year Plan
The Second Secretary

V. P. 8829/5 Berlin W. 8, 30 June 1941
Leipziger Str. 3

Subject: Collection of Occupation Costs in Belgium Referring to letter of 7 June 1941—No. 1639/41 g.

Enclosed I send a copy of my letter of 11 June 1941 — V. P. 7739/5 to the Military Commander in Belgium and Northern France and the Supreme Command of the Army—Quartermaster General—for your information.

signed NEUMANN
Attested to (L. S.) STRAUCHMANN
Administrative Secretary

To the Reichsbank Directorate
Attention Reichsbank Vice President Puhl

The Reich Marshal of the Greater German Reich
Deputy for the Four Year Plan
The Second Secretary

V.P. 7739/5 Berlin 11 June 1941

Expedited letter!

Subject: Collection of Occupation Costs in Belgium

In connection with the repeated written and oral statements in the group of questions relating to the collection of the occupation costs in Belgium, I request you in agreement with the Reich Minister of Finance, the Reich Economics Minister, as well as the Supreme Military Command (OKW) to make the following solution:

1. Belgium must provide under the title "internal occupation costs" those money sums, which are gotten out of the country to finance the needs of the German military formations located in the country. Goods which are purchased in Belgium for the needs of the Armed Forces in other territories are not to be paid from occupation costs, but through the clearing. Goods, which are acquired by means of requisitioning, are to be paid out of the occupation costs, whether they are intended for the use of the Armed Forces inside the country or in other areas.

2. As an instalment payment on the external occupation costs, Belgium is to transfer the part of its gold reserve lying in Berlin.

The fixing of the time at which such a demand is to be made on the Belgians remains reserved.

3. According to the proposal of the Military Commander in Belgium and Northern France, the desire of the Belgian State Secretary for the statement of fixed instalment payments on the new occupation costs can be granted. At first a monthly payment equivalent to 80 million RM is to be fixed for a period of three months. An extension of the period can be declared to the Belgians to be likely.

4. Since it cannot be securely foreseen whether the sums set as instalment payments will suffice to cover the needs of the Armed Forces, the arrangement under 3) can only be agreed to, if the Belgians at the same time obligate themselves on demand of the military agencies to place at disposal the Belgian francs needed at any time, even above the instalment payment, from a credit to be opened by the Belgian State at the Belgian central bank. An indebtedness of the Reich to secure this credit is not to be considered, and particularly not in the form of depositing evidences of indebtedness of the Reich as security.

5. In the future the Kreditkasse certificates cashed by the Belgian National Bank for the account of the Belgian State are to be reckoned against the monthly instalment payments to be made by the Belgians.

The clearing off of the Kreditkasse certificates taken up by the Belgians up to now remains reserved.

6. The taking up of credits to cover the needs of the occupation troops is no longer to be considered. The credit taken up already is to be covered as quickly as possible out of the instalment payments, if these are large enough.

signed NEUMANN

To

a. The Military Commander in Belgium and Northern France

b. The Supreme Army Command (OKH)—Quartermaster General, attention Kriegsverwaltungschef Sarnow.

TRANSLATION OF DOCUMENT ECR-35

Brussels–August 2, 1941.

(File II/39)
The Special Plenipotentiary—West—
of the Central Administration
of the Reichskreditkassen.

Subject: The provision of sums through the clearing which

1. have been sent to members of the Wehrmacht in Belgium from home by military postal orders
2. have been spent in Belgium for the purchase of goods which which were used outside the country.

1. The sums paid in at German post offices for transfer by military postal order are, like the army pay and other sums, to be paid to the members of the Wehrmacht in Belgium from occupation costs to be raised by the Belgian State. The German post office has transferred the sums paid in to the Reichshauptkasse. Since, in fact, a transfer has not taken place, the Belgian State was wrongfully burdened with these sums. The Military Commander in Belgium and Northern France, the Chief of Military Administration, has, therefore, requested the Reich Minister of Finance, Berlin, to put at his disposal the total amount of the military postal orders paid up till now. The following sums are involved:

For the year 1940.

a. RM 744,168.—government postal and money orders
b. RM 11,537,279.—to members of the Wehrmacht
c. RM 1,111,980.—to other receivers of payment

RM 13,393,427.—

For the year 1941 (up to and including 30 June):

a. RM 642,579.—government transfers (payments)
b. RM 19,617,282.—private transfers (payments)

RM 33,653,288

This total sum is further increased by those payments which have been made to members of the 15th or 16th Armies and are still to be reported by the Army Postmaster.

The Reichshauptkasse should be caused to transfer the amount claimed to Account No. 20,324 "Special Account of the Emission Bank in Brussels in the Department of the German Reichsbank" for the account of the Main Administration of the Reichskreditkassen in favor of the Belgian occupation costs account. In the future, the Army Postmaster will regularly communicate to the Military Commander by the tenth day of each month so that an application may be made for their provision by way of the clearing.

2. In addition, the Military Commander in Belgium and Northern France has made application to the Reich Minister of Finance, Berlin, that there be put at his disposal those payments which have up until now been spent by the Wehrmacht for the purchase of goods used outside the country (Belgium). Purchases of this sort, of goods to be used by the Wehrmacht in other areas, are likewise to be paid not out of occupation costs as previously, but through the clearing. At least RM 20,000,000 a month are said to be involved.

Since rather lengthy communications are necessary to ascertain the exact sums, the Reichshauptkasse is first requested to transfer an advance of RM 20,000,000 through the Reichsmark account of the Brussels Emission Bank (No. 4015) at the German Verrechnungskasse to the main administration of the Reichskreditkasse in favor of the Belgian occupation cost account.

For technical reasons the method used until now will be retained for the time being and the amount spent for the purchase of goods out of receipts of occupation costs will be provided for through the German-Belgian clearing.

In the meantime, the sums mentioned under 1) and 2) are to be used as they come in, as far as possible, to cover the credit [Kassenkredit] to the main administration of the Reichskreditkassen, which runs to a total of RM 60,000,000.

The Special Plenipotentiary—West—of the Central Administration of the Reichskreditkassen.

[signature illegible]

To the Central Administration of the Reichskreditkassen
Berlin C 111.

TRANSLATION OF DOCUMENT ECR-39

The Commissar at the National Bank of Belgium

Brussels, 6 August 1941

To Vice-President of the German Reichsbank,
Mr. Puhl, Berlin C 111

Subject: Procurement of Occupation Costs in Belgium

I enclose a copy of a letter from the Military Commander in Belgium and Northern France—MVCh/Fin A 60 Nr. 1782/41 secret—of 2 August 1941, with the request that you take note thereof.

Per

Dr. Hofrichter
OKVR

ECR-39

COPY

The Military Commander in Belgium and Northern France
MVCh/Fin A 60, No. 1782/41 secret

O.U., 2 August 1941

To the Reich Marshall of the Greater German Reich
—Deputy for the Four Year Plan—
attn. State Secretary Neumann
Berlin W 8

Subject: Procurement of Occupation Costs in Belgium
Reference: Your letter VP 7739/5 of 11.6.41

As a result of the letter in question I have informed Secretary General Plisnier of the Belgian Finance Ministry, with the indicated reservations, that it is possible to set a fixed monthly occupation cost instalment of 80 million RM = 1 billion [milliard] bfrs—at present for the months July to September.

I do not deny that it was attempted through this solution to consider to some extent the justified wishes of the Belgians, in the interests of a sensible budgeting, to fix the occupation costs in a certain rhythm for a long period; however the reservations connected therewith practically for the most part thereupon remove the stabilization intended by the fixing in instalment form of the occupation costs.

I furthermore acclaim the decision in accordance with my wishes to pay through the clearing for goods purchased by the Armed Forces in Belgium for the needs of other areas, since at least in a budgetary sense this means an unburdening of the Belgian State and also has favorable psychological effects in so far as the occupation cost account is unburdened of expenditures which previously fell on this account, unjustifiable and in contradiction to other occupied areas.

On the basis of my responsibility for the administration and economy of Belgium, which I consider above all the responsibility for the greatest possible exploitation of this country in favor of the German war effort, I nevertheless consider myself obligated to draw attention to the following points in this connection:

1. *Additional burdens on the Belgian State*

The actual burdening of the Belgians with occupation costs is substantially higher at present than 1 billion [milliard] bfrs per month, since the billeting costs, which according to previous decisions on the occupation cost question should have been counted against the fixed instalment, having actually as in the past had to be met and will have to be met until further notice by the Belgians, because of the insufficiency of the fixed occupation costs. In connection with this the billeting costs have become increasingly large in the last months—partly as a result of the improvement of barracks which goes hand in hand with the progressing length of the occupation as well as the provision of other stationary installations serving the needs of the troops, partly, however, also because of the increasing demands for quarters which are always in conformity with the actual need, and at present amount to an average of at least 100 million bfrs per month.

Another heavy burden on the country will result in the near future from the question of compensation for war damage and similar claims, which has become pressing. My paymaster at present has before him over 30,000 damage claims, concerning in large part irregular requisitions, etc., and which to a very large extent will have to hang over the Belgian State *outside* the occupation costs merely as a result of the impossibility at this time of making irreproachable determinations of fact. A delay of compensation will in many cases not be in accordance with the predominant German interest in undisturbed economic development.

Furthermore the Belgian budget is continually burdened through additional expenditures which cannot be predicted in making up the budgetary proposal, and which are in part large, and in part actually had to be demanded by my Military Administration for German interests in the final analysis. Thus, for example, I must at this very moment demand a monthly state subsidy of 30 million bfrs for the Belgian coal mining industry.

Although it is attempted to the greatest possible extent to cover expenditures and draw off surplus purchasing power through increases in taxes and a borrowing policy, with results which up to now are satisfactory, nevertheless the total volume of expenditures cannot even be approximately covered by all these measures. The Belgian General Secretary of Finance stated at a large meeting on 30.7.41, under the pressure of all these demands on the Belgian Treasury, particularly for occupation costs, that he could no longer take upon himself under these circumstances the responsibility for the leadership of the Belgian State finances.

2. *Balancing off against occupation costs of the RKK certificates to be cashed in the future.*

The balancing off against the fixed monthly occupation cost instalment of the RKK certificates cashed by the National Bank of Belgium for the account of the Belgian State, ordered by paragraph 5 of the letter in question, and not mentioned in previous discussions, will of course result to some extent in countering any claims by the Belgians arising from these certificates against the Reich or the Central Administrator of the RKK. It can, however, put me in a very uncomfortable situation, since it results directly in a decrease in the amount of Belgian francs coming from occupation costs which are available for the withdrawals by the troops. Furthermore this solution must sooner or later lead either to thereby frittering away the possible decrease in occupation costs, or, which is much more likely, making necessary an increase in the demands. The advantages for the Belgians which appears to lie in this solution is therefore actually an illusion. Furthermore, through this type of liquidation of the RKK certificates, the fact that a not inconsiderable part of these certificates are based on expenditures which do not have the least thing to do with occupation costs, which should be considered among other things, is completely neglected.

3. *Nomination of the Paymaster attached to the Military Commander as Chief Paymaster* [*Chefintendant*]

In the repeated written and oral discussions on the occupation cost question I have always placed the greatest value on the extension of the full powers of my Paymaster or on his nomination as Chief Paymaster. In the conversation on 16 May this was granted. The letter in question makes no mention of this. In a report to the OKH I recently again emphatically requested the granting of corresponding powers to my Paymaster. I would be thankful for support of the request by your agency. May I call attention to my proposals in paragraph II, of my report MVCh/Fin A 60 No. 537/41 g of 12.5.41. Without a corresponding extension of my and my Paymaster's full powers the tasks given over to me cannot be effectively carried through. As long as I am not permitted insight in this respect and supervision over the budgets of the Air Force and Navy, as well as of parts of the Army and all sorts of other formations and agencies located in my area, almost all measures which could serve to limit unnecessary and sometimes actually damaging expenditures (for example, excessive wages and prices), which are important for the direct conduct of the war, cannot be undertaken by me. The result of this is that the withdrawals from the Reichskreditkasse, which are in no way controllable by me are actually often used to violate all economic regulations to procure goods for selfish reasons whose planned and regulated utilization in other places would be much more important. The fact that even the

Filed Postal transfers to Armed Forces members from the Reich are paid at the expense of occupation costs—up to 30.6.41, without the payments to members of the 15th and 16th Armies, around 34 million RM—shows clearly to what impossible results the present situation leads. Even the possibility which in itself is provided by the letter in question, of paying for exported goods through the clearing, is of questionable application since I cannot instruct the Armed Forces units under me thrugh my paymaster (report of the purchases concerned).

4. *Use of a temporary credit* [*Inanspruchnahme eines Ueberbrueckungskredit*]

According to the letter in question the taking up of credits to cover the needs of the occupying troops can no longer be considered. I myself have always considered such credits only as a *supplement* to the occupation costs. The *possibility* of taking up such credits is still considered by me as necessary:

(*a*) For the psychological reasons frequently presented by me, which I consider as in the past of *decisive importance.*

(*b*) In case of a sudden urgent demand [Stossbedarf]

(*c*) To equalize certain fluctuations in the money needs of the occupying troops.

The following considerations also enter into the present situation: The measures intended by me in nominating my Paymaster as a Chief Paymaster were directed in the final analysis to decreasing the occupation costs, with which I am concerned in arriving at fixed instalments according to Belgium ability to pay. These measures cannot be carried out *before* the granting of the full powers requested by me, and a certain amount of time will pass even after this grant before they take effect. There is, in addition, the further reduction of the available occupation costs by the treatment of the RKK certificates which is ordered. I will again on 1 October examine the question of whether an increase in the fixed occupation cost instalments will be possible, but believe that I can already state that if it is at all possible it will be so only to a limited extent.

Under these circumstances I believe that, at least at present, there cannot be renounced the *possibility* of an additional taking up of credit within the framework given. The quicker the measures planned by me can be realized—utilization of all possibilities of making savings, fighting against all increases—the greater is the chance of actually doing without additional credits and paying back the credits taken up.

In conclusion, I therefore request:

1. To not carry out the proposed balancing of RKK certificates against occupation costs.
2. To work at your end as well for the provision, as soon as possible, for my Paymaster of the position of a Chief Paymaster (Chefintendant), and
3. To leave to me the possibility of taking up temporary credits until further notice.

I must lay even greater value on the fulfillment of these desires because the present political situation in Belgium, above all the food problem, makes the other unavoidable troubles in the financial sector seem unbearable. The Reich Food Ministry has had to put aside all promises which might lead to an improvement in the ration figures for Belgium, as a result of the development of relationships in the East. Therefore coverage until the new harvest is not assured. Already a part of the Belgian mills have no more grain stocks; stocks of others will be exhausted in a few days. The tense situation in the coal and iron ore producing regions is known.

In this situation there should be avoided under all circumstances any increase not absolutely necessary in difficulties on the financial side.

The Military Commander in Belgium and Northern France

Signed, Von Falkenhausen
General of the Infantry

TRANSLATION OF DOCUMENT ECR-59

Copy

The Commissar at the National Bank of Belgium
Journal No. 4621/41 Hfr/Schz

Brussels, 8 Oct. 41
(our Journal No. 19664/41)

To the Vice-president of the German Reichsbank
Mr. E. Puhl
Berlin C III

Attached you will find a copy of a summary of "Emergency measures for the regulation of occupation costs and for stabilization of the Belgian currency", of October 2, 1941—Az: MVWi VIII IV of Nr. 4621/41 fin A *60* which upon directive of the Military Commander in Belgium and N. France continue to be worked on here, for your kind consideration.

Per,

(signed) Dr. HOFRICHTER
Oberkriegsverwaltungsrat
II a 17022-41 B [Chief Councillor of the Wer. Admins.]

Copy

The Military Commander in Belgium and N. France

Brussels, 2 Oct. 1941

Immediate measures for the regulation of occupation costs and for the stabilization of the Belgian currency.

The monetary situation in Belgium has come to such a point that all possibilities of limiting and neutralizing inflationary effects should be made use of at once to the greatest possible extent. Extreme thriftiness and unconditional adherence to maximum prices is necessary in order to be able to continue financing the tactical and operationally necessary expenditures of the Armed Forces. In connection with this, no means may be left untried by which we could stop the further expansion of the money circulation. The Armed Forces in their own interest must set a good example here; since all measures taken by the civilian sector are ineffective as long as the regulations issued are not complied with by the Armed Forces, which influence the expenditure economy of the country decisively.

The following measures are supposed to serve the purpose of preserving the effectiveness of the Belgian franc as long as possible.

I

Occupation Costs

Department: Group fin.

The burdening of Belgium with occupation costs (monthly contribution payments and billeting payments) is made to the limit of capacity. Because of psychological reasons, however, it is necessary to fix a certain maximum amount of such monthly contribution payments (at present 1 billion Bfrs) not least for the purpose of retaining Belgium's willingness to cooperate actively in the fight against inflation. In case it is impossible to secure Reich subsidy through clearing for amounts surpassing the fixed contribution in clearing traffic, such amounts representing expenditures of the Armed Forces should not be covered by occupation cost payments, "a fonds perdu", but through taking up of a credit by the Reich from the Belgian State, respectively the National Bank. Further discussions in that direction are to be carried on with the office of the Four Year Plan and the competent Berlin agencies.

II

Expenditure of the Wehrmacht

1. Savings in Armed Forces expenditures.

Department: Pay Master at the Military Commander's.

Checking of expenditures for billeting services, repairs of quarters, purchases of foodstuffs. Examination of earlier contracts in regard to paid prices, refund on paid excessive prices from the Belgian sellers.

Control of money expenditures by the requirements of estimates, money withdrawals by the organizations stated in Belgium, only within the limits of the estimates.

2. Payment of Armed Forces purchase orders with Treasury certificates.

Department: Group fin.

Pay Master of the Military Commander.

The Belgian Ministry of Finance has already outlined the procedure of partial payments of larger shipments to the Belgian State through treasury warrants. This measure can only have a lasting effect if the same procedure is also used for larger payments by the Armed Forces.

3. Propaganda for thriftiness within the Armed Forces.

Department: Command Staff.

We have to eliminate the dangerous slogan "Money doesn't mean a thing." Setting of a meeting with OFK, FK, KK, and OK. Working out a program for short lectures to be given by the Military Administration Chief and Paymaster (billeting payments).

III

Observance of the provision concerning economic control by the Armed Forces and other organizations.

Department: Economics Section [Wi Abt.] Group I, together with the Pay Master.

Armed Forces offices and all organizations active in Belgium are to be emphatically told that non-observance of such rationing provisions represents a damaging of the total planning. Severe punishments in case of non-observance.

IV.

Procurement of the Black Market Stocks

Competent: Economics Section Group I, Group III.
Paymaster at the Military Commander's.

To issue an amnesty in order to induce Belgian circles which possess unreported black market goods to report these belatedly. A strong prohibition to all agencies of the Armed Forces, to the Military Admin. and other organizations, against uncontrolled purchases of black market stocks (joint purchase commission). Introduction of stricter punishment of violators.

V

Tax Measures

Department: Group fin.

1. Exhaustion of tax reserves which in comparison to the German tax rates still exist especially as far as unmarried people and the higher income brackets are concerned, by further increase of taxes.

2. Improvement of the assessment procedure through activation of the checking of Belgian enterprise accounting.

VI

Regulation of Prices

Department: Group IX.

1. More intensive control of prices and stricter obtaining and rationing of goods.

2. Development of the position of the Belgian Commissioner of prices.

3. Reinforcement of Group IX of the Economics Section.

4. Setting up of price lists and basic prices for purchases by the Armed Forces.

VII

Regulation of Wages

Department: Economics Section Group VII.

Wage increases will no longer be permitted under any circumstances. Equalization only in the form of production premiums [Leistungspraemien].

VIII

Measures to limit the expansion of the money circulation.

1. Field Post Money Orders [Feldpostueberweisungen].

Department: Group fin.
Paymaster at the Military Commander's.

Money transfers through Military Field Post Offices have to be reduced or stopped.

2. Clearing transfers.

Department: Group V, Group VIII.

Transfers to members of the Armed Forces in clearing traffic based on special permits of the German Devisenstellen have to be reduced or entirely discontinued.

3. Withdrawal of Bank Notes of 10,000 Bfrs. denomination.
Department: Group VIII.

Bank notes of the National Bank of 10,000 Bfrs. denomination which have been mostly hoarded should be recalled for the purpose of converting them into a low-interest-bearing Belgian Loan.

4. Cashless Payment Traffic.
Department: Group VIII, Group fin.

The cashless payment traffic must be further developed. It should be checked if the stamp tax for cash deposits in banking can be eliminated.

5. Measures in Clearing Traffic.
Department: Group V, Group VIII.

a. It is to be investigated if it would be possible in the future to pay for shipment of goods partly in cash and partly with Belgian treasury warrants instead of 100% in cash, based on the procedure provided for the deliveries to the Belgian State and to the German Armed Forces.

b. In capital traffic, only such transactions should be carried out as represent genuine penetration [Verflechtung] and which have general interest for Germany. Purchase of Belgian stocks on the basis of general license, purchase of German stocks by the German Golddiskontbank and certain other transactions [unechte Verflechtungsaktionen] should be stopped. Capital transactions, which serve solely private interests, and which would debit the clearing, shall not be permitted any longer. As far as capital transactions which are permissible are concerned, it should be agreed upon from the start that as far as possible payment can be made in Belgian securities or in Belgian treasury warrants.

6. Clearing traffic.
Department: Group VIII.

The clearing organization for Exchange Transactions should be developed as fast as possible.

IX

Technical Bank Measures (Preparations)

Department: Group VIII, Bank Commissar.

Preparation of the draft of a decree for the transformation of the Emission Bank from a stock company into a public institute [offentlich-rechtliches institut].

Draft of a decree for the transfer of notes issued by the National Bank to the Emission Bank. Turning in of the bank note reserve, securing of the printing presses [Druckstoecke]. Preparation of a stamp for overprinting of already-issued and to-be-issued notes of the National Bank, concurrent stamping of State notes.

Transfer of the foreign exchange control and clearing department from the Emission Bank to the National Bank.

Transfer of private postal accounts from Emission Bank to the National Bank.

Preparing of the necessary persons for the administration of the reorganized Emission Bank.

Preparing and increasing of personnel for the Reichskreditkasse Brussels for the taking over of the agendas of the Emission Bank.

Temporary limited issue of Reichskreditkassenscheine as an emergency outlet is to be prepared for.

(signed) v. FALKENHAUSEN.

TRANSLATION OF DOCUMENT ECR-72

The Special Plenipotentiary—West of the Central Administration of the RKK
File Nr. 1258/41

Brussels, 22 December 1941

Subject: Belated direction of transfers between the Reichskreditkassen into the Belgian-French clearing.

As previously briefly mentioned, the Emission Bank in Brussels refused temporarily to clear through the Central Clearing and credit to the bfrs. account of the Central Administration of the RKK the amount of RM 43,256,000, received in the meantime from Paris. It was proposed instead to open a new special account at the Bank of France, and to book the equivalent of the transfer there, instead of through the German Verrechnungskasse.

Since, however, we need the above-mentioned amount urgently to supply money to the Armed Forces, I requested the Commissar at the National Bank of Belgium to undertake the necessary steps to resolve the matter. He then made use of his right to give orders [Weisungsrecht] and caused the crediting to be undertaken.

A copy of the letter to the President of the Emission Bank is attached for your information.

The Special Plenipotentiary—West—of the
Central Administration of the RKK

1 enclosure [signed]

To the Central Administration of the RKK
Berlin C 111

The Commissar at the National Bank of Belgium
File Nr. 6190/41

Brussels, 19 December 1941

Mr. President:

This is to confirm the receipt of your letter A 7969 dated 16.2.1941.

In the letter from my office dated 12.12.41—5783/41, I gave official notice [avisiert] on the amount of RM 43,256,000, and in the last paragraph expressed the wish that payment of this incoming transfer to the Reichskreditkasse, Brussels, be undertaken free of charge.

The above-mentioned amount was received by the Emission Bank in Brussels by telegram from Reichskreditkasse, Paris, on 17.12.41. This fact made evident the urgency of the payment.

Since the payment was not undertaken up to now, I find myself forced to my regret to order you hereby, in accordance with Nr. 3, para 2, sentence 3 of the Order on the Emission Bank in Brussels of 27 June 1940, to immediately credit the amount of RM 43,256,003.90 to the Reichskreditkasse, Brussels, on its bfrs account.

For fundamental considerations arising from the principles of the Central Clearing, I have not gone into your letter of 16.12.41, in which you request in particular the opening of a special account at the Bank of France.

Furthermore, I do not understand your attitude in considering yourself obligated to make the matter in question depend on the decision of the Council of Secretaries-General, since you exercise your functions on the basis of your own rights.

Very respectfully,
(Signed) Von Becker

To the President of the Emission Bank in Brussels
Mr. Albert Goffin, Brussels

TRANSLATION OF DOCUMENT ECR-89

Brussels, 5 March 1942.

To: Central Administration of RKK
Berlin C 111

Re: Payment for German military expenditures in Belgium in Clearing.

I am enclosing the copy of a letter sent by the Military Commander in Belgium and Northern France, Military Administration Chief on 2nd March of this year to the Reich Ministry of Finance, for your information. This new computation renders obsolete the contents of my letter of 7 February 1942, which asked the reimbursement of approximately RM 24 mill., as well as approximately RM 7 mill., as compensation for deliveries of goods.

The Special Plenipotentiary—West—of the
Central Administration of the RKK
[signature illegible]

I Incl.

The Military Commander in Belgium and Northern France—
Military Administration Chief
fin A 45

Brussels, 2 March 1942

To: Reichsminister of Finance
Ministerialrat Dr. Breyhan
Berlin W 8, Wilhelmplatz 1/2

Subject: Payment for German Military expenditures in Belgium through clearing.

Re: Your letter of 3/2/42–Y 5103/1–168 V

According to reports received by the Paymaster of the Military Commander in Belgium and Northern France during the period between 1–31 January 1942, Belgian occupation costs have furnished expenses totalling RM 25,803,899.99 which served from the beginning to cover the requirements of the armed forces outside of Belgium (non-occupation costs).

This sum is subdivided as follows according to components of the "Wehrmacht" and countries to which delivery was made.

Country of delivery

Arm	Germany	France	Netherlands	Sum
	RM.	RM.	RM.	RM.
Army	16,504,904.43	525,702.13	112,500...	17,143,106.56
Air Force ..	4,118,513.95	3,208,443.76	569,968...	7,896,925.71
Navy	101,118.43	662,749.29	....	763,867.72
Sum ...	20,724,536.81	4,396,895.18	682,468...	25,803,899.99

Accordingly, the value of shipments to Germany in the period of 1.6.41–31.1.42 totals:

1.6.41–30.11.41:	85,135,897.28 RM	(see letter fin A 40 v. 31.12.41)
December 1941	18,831,784.39 RM	(see letter fin A 45 v. 4.2.42)
January 1942	20,724,536.81 RM	
Total	124,692,218.48 RM	

It is requested to direct the Reichshauptkasse to pay the difference of RM 14,692,218.48 compared to the advance of 110 million RM made by the Reichshauptkasse to the Deutschen Verrechnungskasse Berlin C 111, for immediate telegraphic transfer to the Reichsmark account of the Emission Bank in Brussels (Konto 4015) in favor of the RKK in Brussels. (Special Plenipotentiary West Kontributionskonto Belgien).

Comment in regard to the statements of your letter of 3 February 1942, regarding compensation for the value of shipments to France and Holland may remain reserved.

For the Military Commander in Belgium and
Northern France,
The Military Adm. Chief
per,
(signed) Dr. von Craushaar

Distribution:

OKH QM General. Dept Kr.V. (Military Administration)
OKW AWA WV
The Military Commander in Belgium and Northern France—
Military Administration Chief—fin A 45

O.U., 2 March 1942

To the Special Plenipotentiary West of the Central
Administration of RKK
Brussels

Copy for your information.

For the Military Commander in Belgium and
and Northern France,
The Military Adm. Chief.
per (signed) Craushaar.

Copy

The Military Administration Chief of Belgium and Northern France—Chief of Military Administrator—fin A 45

24 April 1942

To the—Reichsminister of Finance
Att'n: Ministerialrat Dr. Breyhan
Berlin W 8, Wilhelmplatz 1/2

Subject: Payment of expenses of the German Armed Forces in Belgium in clearing.

Ref: Their letter of 3 February 42—Y 5103/1-168 V

According to information received by the Paymaster of the Military Administration Chief of Belgium and Northern France expenditures amounting to a total of RM 28 209 066.64 were made in March from Belgian occupation costs, which served from the beginning to cover the needs of the Armed Forces *outside* of Belgium (non-occupation costs). This amount is spread over the services of the Armed Forces and the destination countries in the following manner:

Destination Countries

Branch of Armed Forces	Germany	Frankreich	Holland	Total
	RM.	RM.	RM.	RM.
Army	14,108,183.36	897,020.85	169,648.02	15,174,852.23
Air Corps ..	4,826,685.55	4,166,829.77	55,885.00	9,049,400.32
Navy	3,291,301.51	....	693,512.58	3,984,814.09
Total ..	22,226,170.42	5,063,850.62	919,045.60	28,209,066.64

Therefore the value of deliveries into *Germany* in the month of March 1942 amounts to

RM 22 226 170.42

It is requested that the Reichshauptkasse be directed to pay this amount to the German Clearing Kasse, Berlin C 111, for transmission as soon as possible to the Reichsmark Account of the Emission Bank in Brussels (Account 4015) in favor of the Reichskreditkasse in Brussels (Special Plenipotentiary—West—

Contribution Account Belgium). [Pencil note: No receipts until now. Illegible signature].

For the Military Administrative Chief
in Belgium and Northern France
The Chief Military Administrator
per
(sig.) Dr. von Craushaar

Information copies to:
OKH Gen. QM Dept.Kr.V
OKW AWA WV
OKW WH, Ministerialdirector Tischbein
To the files II 39 [signature illegible]

TRANSLATION OF DOCUMENT ECR-106

Copy

The Commissar at the National Bank of Belgium
File Nr. 2028/42/XIII d

Brussels, 1 May 1942

Principles for the administration of transfers in the German-Belgian clearing traffic.

After negotiations with Mr. Berger (Emission Bank), Mr. O. Gerard (Office de Compensation) and Mr. Smeers (Belgian Finance Ministry) the following was agreed on 30 April:

I

Clearing transfers for goods and services traffic, in which the Belgian payee and purpose of the transfer are given or later indicated in accordance with the form of the German Verrechnungskasse, will be carried out by the Emission Bank as before, without further question.

II

For the clearing transfers "according to special instructions" [laut besonderer Mitteilung]—referred to below by the abbreviation lbM—the following solution is adopted:

1. Payments "lbM" for *political purposes* (i.e. SS, Propaganda, Hitler Youth, etc.) are in principle not to go through the clearing, but are to be paid out of the occupation costs of Belgium. This change in methods of payment is ordered. In so far as sums continue to arrive, they will be covered out of occupation costs, and the clearing transfers will be returned to the Standortkasse Luedenscheid.
2. Payments "lbM" *to Belgian business enterprises* which produce effective war materials (for example F. N. Pieper

Co., Sabka and others) will be carried in the present camouflaged form through the clearing with the participation of the Reichskreditkassen. The out-payment of these sums is to be made by the Emission Bank up to an amount of RM 4 mill. equals bfrs. 50 million per month without inquiry as to purpose and Belgian payee. If the monthly sum of 4 mill. RM equals 50 mill. bfrs. is exceeded, the transfers above that amount will be paid out of Belgian occupation cost contributions and the transfers will be returned to the Army Standortkasse Luedenscheid through the clearing.

3. Payments "lbM" for the following central purchasing agencies in Belgium:
    1. WBA.
    2. Wi.I.OKH
    3. WVD
    4. Werftbeauftragter Antwerpen
    5. GBK

   will be paid out by the Emission Bank through the clearing in so far as the central agencies in question provide after receipt or use of the transferred amount a list of the larger payments made, amounting to at least 2/3 to 3/4 of the global sum received, given monthly to the Commissar at the National Bank for the purpose of transmission to the Emission Bank. Sums of bfrs 100,000 equal RM 8,000 and up are to be considered as larger payments. This limit can be increased or decreased as is desired by the individual central agencies concerned, in order to attain the required reported amount of 2/3-3/4 of the global sum. The central purchasing agencies named under 1-4 above have already agreed to provide such lists. The global sums for these agencies will from now on be covered through the clearing. GBK already delivers to the Belgian Finance Ministry the lists of sellers of automobiles for the purpose of paying the purchase price with Belgian treasury certificates on the basis of the conversation of the Military Administration with the Belgian Finance Ministry. The out-payment of clearing sums for G.B.K. will also result from now on.

4. Payments "lbM" to the following central purchasing agencies in Belgium:
    1. O.T.
    2. Schrottbeauftragter (O. T.)
    3. A.W.G. (O. T. from Roges)

   cannot be presented according to the lists mentioned under paragraph 3 covering use of 2/3-3/4 of the global transfers. The OT has expressly refused this. No lists can be provided on the business carried out with the transfers of Roges, either, since these are for the most part black market goods. These transfer sums must be paid out *at the expense of the occupation costs.* The amount coming in through the clearing will then be repaid via the clearing to the Army Standortkasse Luedenscheid. The planned general decrease in occupation costs cannot be carried through with respect to this solution, in fact it is possible that an increase in occupation cost contributions will have to be reckoned with.

5. The clearing payments coming in *from third countries in favor* of German agencies will be paid out, after the M.V.Ch., Wi.Gr.V. (OKVR Dr. Flad) has explained to the Belgian side that in principle corresponding deliveries of goods are to be demanded from these third countries. However, it must first be seen what extent the previously not procured goods deliveries of these countries to Belgium in the military sector will have. A direct biding of every individual payment with a claim to return deliveries (barter business) will in no case take place.

Payments from third countries, which are declared of pressing necessity by the Military Administration, will be carried out as previously (these include the transfers for savings of workers from Northern France, and for equalizing the giro traffic of the Reichskreditkassen Paris/Brussels).

III

Clearing transfers of the Reich Finance Ministry in Berlin for the purpose of paying for goods purchased by the troops which for the time being have been paid for out of occupation costs but which were not intended for the needs of the troops in Belgium, will no longer take place. The Belgian agencies give up claims [Verzichtenauf] to the decrease in occupation costs by the same amount, which was proposed to them. The same goes for the transfers of the Reich Finance Ministry to equalize 50% of the field postal remittances.

(Signed) Dr. Hofrichter

Distribution:

1. Military Commander in Belgium and Northern France, General of the Infantry von Falkenhausen * * *

4. Leader of the Economic Department,
KVChef Dr. Schlumprecht * * *
9. Vice President of the German Reichsbank,
Mr. E. Puhl
10. Ministerialrat Roth, Reich Economics Ministry.

TRANSLATION OF DOCUMENT ECR-115

Teletype Message to Bankkommissar Brussels

I. The gold question has been discussed with Reichsbank Direktor Wilhelm, Member of the Reichsbank Directorium, and Direktor bei der Reichsbank von Schalling. Result: The Reichsbank stands on the ground that a confiscation by the Military Commander *in Belgium* of the claim for delivery has no immediate legal value for the Reichsbank. It will, however, follow up such a proclamation of confiscation if the Belgian National Bank raises no objections within a reasonable period to the proclamation of confiscation, which is also to be presented to the Belgian National Bank. In consideration accordingly that possibly in case of an objection by the Belgian National Bank a proclamation by the Military Commander of confiscation cannot be respected by the Reichsbank in itself, it is considered desirable by the gentlemen from the Reichsbank to instruct the Military Commander through the Bank Commissar.

II. The question of the Reichskreditkassen certificate has been thoroughly discussed with Messrs. Kretzschmann and Wilhelm, members of the Reichsbank Directorium, and with Reichsbankdirektor Waldhecker. Result:

1. The Reichskreditkassen certificate must have its effectiveness in Belgium as a means of legal tender preserved, not only formally but also actually. Therefore a complete cessation of exchanges for the Belgian public is not possible. Thus, furthermore, no public final date for the exchange can be set. It is just as impossible to limit the exchange by a maximum sum.

2. In order to make concessions to points of view of the Belgian National Bank, the following procedure is considered usable:

a. The exchange will be limited from a date yet to be set by examining the origin of the certificates and the necessity of exchange in each individual case, in the manner in which this was done for the Reichsbank notes. However, in this the operation must nevertheless remain elastic enough so that a discount [disagio] of the RKK certificate as compared to the Belgian franc is unconditionally avoided. The limitation of the exchange in this sense can therefore only begin when the present wave of exchanges dies down somewhat since otherwise a surplus of RKK certificates remains on the Belgian market which is too large, and then presses on the price [Kurs] of the RKK certificate because of the inability to realize on it and makes its reissue impossible.

b. The measures indicated under a. are not to be published; rather they are simply to be introduced on the basis of an agreement with the Belgian National Bank or an order [Weisung] from you.

c. The RKK certificates coming in for exchange beyond the sum of 1800 million bfrs will be taken over from the Belgian National Bank by accounting against the occupation costs or through the clearing. The details are to be negotiated later. Furthermore, there is another way if the National Bank strictly refuses to go beyond 1800 million bfrs. According to the existing agreement concerning RM and bfrs procurement and use, the Reichsbank can obtain for itself through the clearing any amount of bfrs in banknotes from the National Bank. It then sells them to the Reichskreditkasse, which uses them to cash its certificates in Belgium.

It is then recommended that the above points of view be agreed with the other responsible Berlin agencies as well.

(Signed) Hoppo.

PARTIAL TRANSLATION OF DOCUMENT ECR-132

VERY CONFIDENTIAL

Brussels, 1 December 1942

The Commissar at the National Bank of Belgium
Journal # 5541/42/IXIa

REPORT

of the Commissar at the National Bank of Belgium
for the period of Aug.-Oct. 1942
(report period: 30 July-29 October 1942)

I. General Currency Situation.
II. Status of the Central Note Banks—National Bank of Belgium and Emission Bank in Brussels.
III. Money—and capital market.
IV. State finances and occupation costs.
V. Clearing Traffic.
VI. Private Banks (Bank supervision).
VII. Exchanges [Boerse].

I. General Currency Situation.

The Belgian currency situation got worse during the report period. The currency circulation reached a peak of 68.6 billion Bfrs., i.e. 290% of the circulation in the summer of 1939—an increase of 6.2 billion Bfrs. during the report period compared to 5.2 and 4.2 billion Bfrs. in the previous ones. In tempo of increase of circulation Belgium stands at the head of the comparable Western countries; in comparison with Germany, the percentage increase in money in Belgium is about twice as great since the beginning of 1942. To be sure, it is frequently stated that the increase in money since the beginning of 1938 is just as great in Germany (+182%) as in Belgium (+190%). However, this purely statistical comparison gives an incorrect picture since the growing expansion of German production is opposed to a decreasing employment of the Belgian economy. According to an estimate by the Reichswirtschaftskammer made in the summer of this year, amounted to 123% in Germany in the year 1942 and only 45% in Belgium.

Germany's increase of the money volume (182%) is with regard to the increase of production only in fact 150%; a 190% increase in money in Belgium, with production at 45%, amounts to an increase in money of over 400%. Even if the figure for Belgian production is set too low, and if it is considered correct that the actual money circulation is lower than the nominal, because of increased hoarding of Banknotes, it is in any case obvious that the apparently equal increase in money circulation, calculated on a percentage basis, is a much heavier currency burden for Belgium than for Germany.

Of the three determining factors, which unfavorably influenced to a changing strong degree the monetary situation of Belgium:

a. Financing of the occupation costs
b. Clearing advances
c. Exchange of RKK certificates,

as a result of the cessation of exchange of RKK certificates at the National Bank in August 1942 the burden arising from the last-named item has practically disappeared.

The occupation costs demands could not be decreased, to be sure, but it was possible to attain remarkable economies in their use despite increased building activity of the Navy and the OT, which it was possible to use to cover previous advances. It was only necessary to call on the banknote presses to a limited extent to finance the occupation costs of 4.2 billion (mrd) bfrs collected in the period of this report. The total deficit of the Belgian budget amounted to 5,572.3 million bfrs in the months August to October 1942. It was covered to the amount of 3,042 mill. bfrs by issue of short-term treasury certificates to the market, while about 2 billion (Mrd) bfrs of Treasury Certificates had to be taken over by the National Bank of Belgium. The increase in circulation resulting from this item therefore amounted to about 2 billion bfrs.

On the other hand, the Belgian clearing credits increased in even greater tempo by 5.1 billion (Mrd) bfrs, with the result that in the last quarter year 80% of the increase in demand liabilities of the Note Banks is to be attributed to the clearing advances alone. The increase in Belgian clearing credits has been caused to an increasing extent by the financing of the black market purchases of German agencies. In order to be better able to direct these purchases as well as to direct sub-contracting of armed forces agencies, by way of the distribution of money, an "Armed Forces Clearing Institute" was created on 1 October 1942, through which all clearing transfers for German central procurement agencies of the Armed Forces and for the organizations concerned with the purchase of black market goods must go. Thus the Military Administration can now obtain for itself an exact picture of which German organizations are active as purchasers in the country and what funds are expended for that purpose.

The global clearing transfers, continually increasing since the middle of the year, which were known to the Belgian agencies as serving to a great extent for the purchase of black market goods, led in September and October to pressing objections by the General Secretaries of the Finance and Economics Ministries and the management of the Note Banks, which clearly declared that they would have to refuse on moral grounds to make available money means with the help of the banknote printing presses, in order therewith to make possible business which is most strictly prohibited in Germany and is also forbidden in Belgium by German and Belgian orders. All decent Belgians would turn with disgust from the speculators [Schiebern] who make these deals and would regret exceedingly that these elements are given the possibility by the Germans of continuing their dirty business. The Military Administration rejected these explanations with a reference to the fact that the production and utilization prohibitions and the economic control regulations are widely violated on the Belgian side, so that therefore the guilt is to be sought on the Belgian side. It held down the increasing resistance of the Note Banks, which culminated at the end of October of this year in a public threat of resignation by the Governor of the National Bank, by the heaviest pressure, and forced the Note Banks, while emphasizing its willingness to negotiate on certain Belgian proposals, to again take up the global clearing transfers for German procurement agencies, which were cut off for a period. Practically, however, only a delaying of the outbreak of the crisis could be attained thus, and it came nevertheless at the end of November, since two members of the Directorate of the Note Banks announced their resignations because of the continuation of the black market purchases through clearing. After long negotiations agreement was reached with the Governor and Vice-Governor, who remained in office alone, which provided that the black market purchases will in the future be financed out of the occupation costs, while instead in the future the goods purchases which are made by troops and taken out of the country, as well as the Field Postal Transfers from the Reich, will be returned through the clearing. Since these two sums (troop purchases for needs not arising in Belgium and field postal transfers) approximate the previous amount of the clearing transfers for black market purchases, thus only a change in the title under which the clearing transfers are made results. This has, however, the important result that the black market financing, objected to by the Belgians on moral grounds, is taken out of the sphere of the Note Banks, where it was under constant criticism, and transferred over to the political sphere of the occupation costs. From the point of view of the Reich Finance this shift is of no importance. At any rate, with this solution a maximum limit of 30 to 40 million RM is set for the use of occupation costs for black market purchases, which however probably should be sufficient, since in the end the black market must one day be brought to a finish, if we do not ourselves do away with our own monetary policy in the occupied area and want to make a monetary "Greece" out of Belgium.

Attention has repeatedly been called to the difficulties which result from continuation of the black market purchases in the economic and financial problems. These black market purchases, in the final analysis, materially hurt the Reich, since they create future financial burdens, which lay far above the present result in goods; furthermore the German reputation is heavily damaged. The only possibility of getting rid of the black market consists of going over from culture [Pflege] of the black market to the sharpest fight against it.

* * * * * * *

4. Business deals in Belgium securities for German account

(economical penetration transactions — Wirtschaftsverflechtungen—) have come to a complete standstill. Reason for this is on the one hand the at present considerable unwillingness of Belgian sellers to sell to German purchasing agents, and on the other hand, however, that as a result of the high prices in Belgium and other market conditions, large purchasing orders are no longer on hand from Germany. Large transactions took place, however, in foreign securities having a special interest to Germany. Particularly, during the period of this report two large transactions were concluded, i.e., the purchase of shares of the Roumanian Oil Company "Concordia" and the repurchase of the Bucharest City Bonds.

* * * * * * *

(signed) v. Becker

Distribution

1. Military Commander in Belgium and Northern France
   General of Infantry von Falkenhausen.
2. Chief of Military Administration Reeder.
3. Chief of War Administration Dr. Schlumprecht.
4. Deputy War Administration Chief Dr. von Craushaar.
5. Economic Department Group V
   Attention OKVR (Superior War Administration Counsel) Dr. Flad.
6. Administrative Department Group fin
   Attention OKVR (Superior War Administration Counsel) Wetter.
7. President of the German Reichsbank
   Reichsminister Funk, Berlin C 111
8. Deputy President of the German Reichsbank
   Mr. E. Puhl.
9. Reichsbankdirectorium (Board of Directors of the Reichsbank)
   Attention Mr. Kretzschmann, Director of the Reichsbank, Berlin C 111.
10. Ministerialdirigent Dr. Bayrhoffer
    Member of the Board of Directors of the Reichsbank, Berlin C 111.
11. Ministerialdirektor Gramsch
    Prussian Ministry of State, Berlin W 9.
12. Ministerialdirigent Dr. Riehle
    Reich Ministry of Economics, Berlin W 8.
13. Ministerialrat Roth
    Reich Ministry of Economics, Berlin W 8.

14. Reich Ministry of Finance
    Attention Ministerialrat Breyhan, Berlin W 8.
15. Reichskommissar for the Management of Enemy Property
    Secretary of State Dr. Krohn, Berlin W 8, Mauerstr. 43/44.
16. German Commissar with the Bank of France
    President Dr. Schaefer.
17. Representative for the Dutch Bank
    Director of the Reichsbank, Dr. Buehler, Amsterdam.
18. Special Commissioner "West" of the Central Administration of the Reichskreditkassen
    Director of the Reichsbank Dr. Schulte, Brussels.
19. Central Administration of the Reichskreditkassen, Berlin C 111.
20. German Armistice Delegation for Economics
    Attention Director of the Reichsbank Hartlieb, Paris.
21. Agency of the Foreign Office, Brussels.
22. German Institute for Economic Research
    Berlin-Charlottenburg, Fasanenstr. 6.

TRANSLATION OF DOCUMENT ECR-142

Brussels
Central Admin. Branch, RKK
8th March 1943
1 Part
File No. 2467/43

The Spec. Plenipotentiary, West of the Central Admin. of the RKK
File No. 396/43
To the Central Admin. of the RKK

Copy

Brussels, 22 February 1943

The Military Comdr. of Belgium/N. France
Military Chief of Administration
fin A60/46
To: Supreme H.Q. Armed Forces/Gen. Qu.
Subject: Exchange of RKK certificates in Belgium
Re: 1. letter OKH Gen. Staff of Army/Gen.Qu.IV A. A2936 (III) of 24 Jan. 1943
2. Letter Rd. F.Y. 5103/1-307V of 7/1/43.

Comment was made already to the questions brought up by the Reich Minister of Finance in the letter cited above, concerning the delivery of assets in RKK notes to the Central Administration RKK, in a letter by the Military Admin. dated 8 April 1942, fin A60 No. 22/42 geh. a OKH Gen. Qu. We may refer to that statement. If the Reich Minister of Finance, now again objects to the acceptance of RKK notes accumulated since 1 July 1941 at the Emission Bank, whose equivalent on February 18, 1943 was 1,502 million Bfrs.—approximately 120 million RM, with a corresponding crediting of the Emission Bank, it may be remarked that in the judgment of the Military Administration, it is neither possible nor useful to change the previous procedure in connection with this item without considering the future fate of the deposit of 3,566 million Bfrs.—approx. 285 million RM which had already been made to the credit of the Emission Bank.

As stated already in the letter dated April 18, 1942, it is beyond doubt that in the RKK certificates delivered up to June 30, 1941 from the Emission Bank to the Main Administration of the RKK a substantial amount of actual internal occupation costs is included, for which the Belgian State is to be charged. The same applies regarding the newly accumulated amount to the extent that the proportion of the internal occupation costs to the non-occupation costs in this total is probably smaller. These results are based on the following consideration:

The assets of Reich KK notes held by the Emission Bank between July 1, 1941 and March 1942 were fluctuating between 100-150 million Bfrs. and increased considerably afterwards. There were on June 30, 1942, 720 million Bfrs., on July 31, 1942, 1,633 million Bfrs., and reached the highest point with 1,800 million Bfrs. in August 1942. It sank to 1,502 million Bfrs.—120 million RM by 18 February 1943, due to the small deposits and the monthly redemption of 50 million Bfrs. against the account of the occupation costs. The causes for the increase in the assets since April 1942, particularly in the months of July and August 1942, lie in the newly instituted central management of Wehrmacht funds by the Chief Finance Officer in the spring of 1942. Thereby the expenditures of RKK certificates imported from Germany by various office and Wehrmacht units, was made to appear particularly attractive for Black Market procurement, as the offices concerned did not obtain these funds through normal channels of requisition. Especially the illegal procuring of large sums, some in amounts of millions of RM by various German units, caused the Military Com. to issue the regulations of July and August 1942 which ended by practically eliminating Belgium RKK certificates from circulation in Belgium. Thus there flowed into the National Bank, especially in July and August

1942 during the deadline period for redemption of RKK certificates on land, large sums partly consisting of hoarded previous issues, but which to a great extent had been illegally imported for Black Market purchases by German units.

As these Black Market purchases were made overwhelmingly for Germany and the other occupied countries, RKK certificates spent on them cannot be regarded as internal Belgian occupation costs.

In total, the Belgian National Bank accepted until 18 Feb. 1943, 6,018 million Bfrs.—481 million RM in RKK certificates against issue of Belgian currency. Of this, 3,566 million Bfrs.—approximately 285 million RM. were deposited with the Central Admin. of the RKK. Nine hundred fifty million Bfrs.—approximately 76 million were paid on account of occupation costs. The balance of 1,502 million Bfrs.—approximately 120 million RM represents the asset of the Emission Bank on February 18, 1943, the delivery of which is now being discussed. The Military Administration proposes, to cooperate with the desire of the Central Administration of the RKK, to obtain, because of the paper scarcity, the present assets of RKK certificates of the Emission Bank and also to avoid an overburdening of the German Reich due to corresponding deposits to the advantage of the Emission Bank, the following procedure:

The present assets of the Emission Bank will be turned over as previously against a corresponding deposit to the Central Administration of RKK. Instead of the previous monthly delivery of 50 million Bfrs. of RKK certificates, to the account of occupation costs, a corresponding part of the occupation costs will be reckoned against this account, insofar as RKK certificates are not newly taken up by the National Bank. As it is to be expected that the new monthly intakes of RKK certificates by the National Bank will amount to less than 50 million Bfrs., the deposits debiting the RKK and thus the German Reich will gradually decrease.

At the same time the Military Administration will approve the Belgian Ministry of Finance with the request that on its part it unburden the Central Administration and through it, the German Reich by depositing a corresponding amount to cover the accumulated claims of the Emission Bank as of June 30, 1941, resulting from the delivery of RKK notes to the Central Administration of the RKK in the amount of 3,566 million Bfrs. —285 million RM that is, 59% of the total of RKK notes exchanged by the National Bank until February 18, 1943. In those limits a final clearance is deemed appropriate, as to the amount of

59% of the total of accepted RKK notes by the National Bank it can be assumed without doubt, that by issuing these notes, payments for genuine internal occupation costs have been made.

The proposed procedure represents the realization of the already mentioned possibility in the letter of the Military Admin. dated April 8, 1942 that the Military Administration will at an opportune moment try to achieve at least a partial annulment of the debit. This solution regards the RKK certificates accepted so far by the National Bank as a unit, assumes that in the total a substantial part consists of genuine internal occupation costs, and finally burdens the Belgian State with a great part of it, without determining a percentage of occupation and non-occupation expenses in the total which only can be done in a rough estimate, and therewith assuming an obligation with respect to a development which is difficult to foresee. At the same time, it meets Belgian objections, which may be expected, to the suggestions of the Reichs Finance Minister, namely that the assets of RKK certificates of the Emission Bank result at least partly from expenditures for non-occupation purposes, and therefore cannot be charged completely to the Belgian State.

With execution of the proposed procedure, there is eliminated the alternate suggestions by the Reich Finance Ministry of a non-interest-bearing credit in favor of the Belgian State in the event that a non-compensated redemption of RKK certificates cannot be demanded at present for political reasons.

Nevertheless, the reflections of the Military Administration against this proposal shall be explained briefly. Insofar as the RKK notes in the hands of the Emission Bank have been delivered to the Central Administration of the RKK—with the exception of the amounts charged against the occupation costs—they present a mere technical bank transaction which means that instead of a demand against the Central Administration based on the certificates themselves there is a corresponding deposit. Already at the first deposit the Central Administration of RKK informed the Emission Bank that the use of that deposit will be subject to later agreements. If now, instead of this banking agreement, by an arrangement between the Military Administration and the Belgian Ministry of Finance, the Belgian State is granted a claim against the Central Administration RKK and thereby against the German Reich, thus the previous reservation would become meaningless. Beyond that, the Belgian Ministry of Finance with whom the liquidation of RKK certificates in Belgium has not yet been discussed, would without doubt interpret the granting of a deposit by the Military Administration as the admission of compensation obligations by the German Reich for the circulating RKK notes. In order to avoid this undesirable and also unfounded conclusion, the corresponding proposal to the Belgian Ministry of Finance could be made only with reservations which would devaluate the Ministry in the eyes of the Belgian people, and cause, for the Military Administration, just those political difficulties which should be avoided by this procedure.

The objections set forth in the last paragraph of the letter from the Reich Minister of Finance dated 7 January 1943 are based on the following facts: Even after the fundamental termination of the exchange of RKK notes by the National Bank in August 1943, it was planned still to accept certain amounts for exchange, partly through the RKK in Brussels, partly through the National Bank. Provision was made for payment by the Reichsbank through Clearing of the equivalent of the total value of RKK scheine which were exchanged by the RKK in Brussels in the course of this arrangement, insofar as the monthly totals accepted would exceed 2.5 million RM. The determining factor for this was the fear that the occupation costs would be overburdened by the exchange of RKK in individual months. In practice, this procedure did not go into effect because the exchange at the RKK Brussels amounted to less than 2.5 million RM per month. RKK notes accepted by hotels, etc., were due to the small sums involved, not submitted to the RKK at all by the Emission Bank. Furthermore the above-stated submission of exchanged RKK notes through the Clearing is, by order of Reich Marshal of the Greater German Reich—Deputy for the Four-Year Plan, end of January 1943, new regulations on exchange procedure (see letter of Chief of Military Administration No. 146/43 Wi VIII, dated January 29, 1943)—not provided any more and has, therefore, become without substance. At no time, therefore, has a Clearing debit of the German Reich for exchange of RKK notes taken place.

For the Military Com. in Belgium and Northern France
The Chief of Military Administration
(signed) REEDER

STRICTLY CONFIDENTIAL

The Commissar at the National Bank of Belgium.

Brussels, 5 June 1943.

Third Annual Report of the Commissar at the National Bank of Belgium

Period reported: Beginning of May 1942—Beginning of May 1943

Contents

I. General situation

II. National Bank of Belgium and Emission Bank in Brussels.
  1. Changes in bank management
  2. Belgian-French Monetary Agreement of 29.10.1940
  3. Issue Bank Reports
  4. Cash and giro monetary circulation
  5. Denominations of note circulation
  6. Exchange of Reichskreditkassen Certificates
  7. Money and capital market
  8. Price intervention of the National Bank on the securities market
  9. Capital market control

III. Clearing traffic
  1. Development of the clearing balance
  2. German-Belgian clearing traffic
  3. Belgian-French clearing traffic
  4. Belgian-Dutch clearing traffic
  5. Capital traffic between Belgium and Germany
  6. Total turnover

IV. Foreign exchange regulation

V. Interest rates

VI. Banking supervision
  1. Belgian private banks
  2. Savings banks
  3. German stronghold banks in Belgium
  4. Enemy banks
  5. Securities and foreign exchange transactions of the stronghold banks and enemy banks in the German interest sphere.

VII. Securities markets

To the Military Commander in Belgium and Northern France
General of the Infantry von Falkenhausen
Brussels

After the end of the third year of activity of the Commissar at the National Bank of Belgium I give the following comprehensive report, which covers the period from the beginning of May 1942 to the beginning of May 1943.

I. General situation

The development of the Belgian monetary situation in the report year was characterized by the continually increasing cash and giro money circulation from 61 billion (Mrd.) bfrs on 1.5.1942 to 80 billion (mrd.) bfrs on 1.5.1943. Besides the monthly occupation cost payments, which remained the same, the continually greater increasing clearing transfers contributed particularly to the continuous creation of money. If the Belgian Franc could nevertheless be protected from greater damages, this is not in the least due to the effectiveness of the protective measures undertaken by the responsible authorities. *It was possible to continue to maintain the Belgian currencies' ability to function,* there was also success in practically preventing disturbances of the economy from the financial side.

The tension in the Belgian economic life appearing in the year 1942/43 resulted from the black market—for a time nourished from the German side—and the continually increasing drain of labor, partly carried through in the form of a labor draft. The outfitting of the Belgian economy for German requirements and for the necessities of the war situation nevertheless made further progress in the past year.

On the *price sector* there were no special changes in the year of this report. The undisciplined and liberalistic attitude of the Belgian population, which lightly overwhelms all price regulations, results in continual price violations in the consumer goods sphere—even for regulated goods. On the other hand it must be stressed that the regulated deliveries to the Reich result for the most part at fixed prices.

It is to be considered furthermore that despite the increased prices large parts of the population still work at wages which have been increased only insignificantly, as a result of the *wage-stop.* Insofar as they cannot draw on previous savings or have no income from black market transactions—which is the case for a not inconsiderable part of the population—the means for the satisfaction of the cost of maintaining life have become insufficient for broad circles.

The continuous creation of money for German requirements led in the last year a number of times to serious *crises at the management of the National Bank.* The first great difficulties resulted in July-August 1942, when ever increasing quantities of Reichskreditkassen certificates were offered to the Belgian Note

Bank for exchange. German services and individuals wanted to buy goods—particularly on the black market—with these Reichskreditkassen certificates, which were mainly imported from Germany illegally, things which in time did not remain unknown on the Belgian side. Thus arose even greater differences of opinion with the management of the National Bank, which finally proposed demonetization of the Reichskreditkasse certificates in Belgium, which however was not considered for military and other overriding reasons. This crisis and the damaging effects of this illegal importation on the German currency was resolved by ceasing the exchange of RKK certificates coming from the hands of Belgian persons in the middle of August 1942 (see Part II, No. 6); the legal tender quality of the RKK certificates remained in effect.

The second crisis resulted in October 1942, when the National Bank management threatened to resign and stopped payment on clearing transfers according to special letter [laut besonderer Mitteilung], i.e. without declaration of the purpose for which they were used, on the occasion of the increase in such transfers, which the Belgians knew were being used to a large extent for purchases on the black market. In the middle of November the two Flemish members of the Directorate, Berger and van Nieuwenhuyse, declared that they would have to cease their collaboration for moral reasons, while it was possible to reach an agreement with the Governor and Vice-Governor, who remained in office, after long drawn out negotiations, which led in December to a new settlement of the clearing traffic (see Part III, No. 2).

Cash, money circulation, with the exception of the month of April 1943 (return of 10,000 bfr notes to the National Bank) *rose throughout the whole year*. In the year of this report it increased by 18.2 billion (Mrd.) bfrs, in comparison to 15.6 billion (Mrd.) bfrs in the second and 9.7 billion (Mrd.) in the first year after the entry of German troops into Belgium. At the beginning of May 1943 it attained a high point of 75.4 billion (Mrd.) bfrs=335% of note circulation at the beginning of 1938. The note circulation of Belgium has the following status as against that of the comparable Western countries:

Germany: 497% at beginning of 1938.
Belgian: 335% at beginning of 1938.
France: 448% at beginning of 1938.
Holland: *287% at beginning of 1938.

The *main cause* of this great increase in circulation is the *finan-*

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* The low increase in circulation was caused by the withdrawal of large banknotes in March 1943.

cial services of the country *for Germany,* which increased further in most respects as compared to the previous year. This is especially true of the clearing expenditures of the Emission Bank, which amount more than tripled in the year of this report. On the other hand the development of the Belgian State Budget for 1942/43 shows an improvement. The extraordinary expenditures for occupation cost were financed without calling on the Note Bank, solely by siphoning off through the money and capital market. The total financial burden on Belgium in the year of this report, 1942/43 and since the beginning of the occupation (May 1940) is shown in the following table:

[In million bfrs.]

	Report Year (31.3.42–31.3.43)	Since May 1940 (1.5.40–31.3.43)
Expenditures covered by State:		
General budgetary expenditures (incl. advances to Treasury)	19,932=33%	54,035=40%
Occupation costs, billeting, etc.*	18,881=31%	44,423=33%
	38,813	98,463

[In million bfrs.]

	Report Year (31.3.42–31.3.43)	Since May 1940 (1.5.40–31.3.43)
Expenditures covered by Note Bank:		
Payments for clearing balance	20,963=34%	31,130=23%
Exchange of RKK certificates and Clearing Account of RKK	1,253= 2%	5,162= 4%
	22,216	36,292
Grand total of expenditures	61,029	134,755

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* The occupation cost payments of Belgium amounted in all of the report year without change, to a monthly 1,500 mill. bfrs = 120 mill. RM. Till 1 May 1943 a total of 42,998 mill. bfrs = 3,439.8 mill. RM of occupation costs and 2,979 mill. bfrs = 238.3 mill. RM of billeting costs were paid by the Belgian State.

Of this,

Belgian national expenditures (Budget without occupation costs)	19,932=33%	54,035=40%
Expenditures caused by the occupation conditions	41,097=67%	80,720=60%

In the year of this report alone, according to the above, the payments made by Belgium (State and Note Bank) for German requirements amounted to about 41 billion (Mrd.) bfrs, that is, more than double the national Belgian expenditures or more than two-thirds of the estimated Belgian national income of 50 to 60 billion (Mrd.) bfrs.

The expenditures were covered as follows, in detail

[In billion (Mrd) bfrs.]

	Report Year (31.3.42–31.3.43)	Since May 1940 (1.5.40–31.3.43)
1. Tax receipts	17,143=28%	40,697=30%
2. Treasury Certificates and loans (money and capital market)	20,700=34%	39,782=30%
3. Through the Note Bank	22,877=38%	53,394=40%
	60,720	133,873

This relationship of taxes: credit: Note Bank=30 : 30 : 40% (against an estimated 50 : 45 : 5% in the Reich) shows that the monetary situation of Belgium is unfavorable in comparison to Germany, and that great difficulties in the securing of the currency relationships must be reckoned with.

In order to receive a picture of the *financial total service of Belgium* since May 1940 there should be added to the sum of 80,720 mill. bfrs=6,457 mill. RM supplied for German requirements the claim for the gold of National Bank of Belgium which is stored with the Reichsbank in Berlin, amounting to RM 545.7 million. Belgium, according to this *paid a total of around RM 7 billion (Mrd)—bfrs 87,500 million since May 1940 for Germany,* which with a population of 8.2 million inhabitants, is about bfrs 10,660 = RM 853 per head of population.

The greatest danger for the Belgian currency and the economy was the *black market,* which has received a considerable impetus from the purchases by German organizations and services, which in the past year were made in ever increasing amounts. Apart from the fact that these purchases endangered the German reputation in Belgium, the Belgian General Secretaries and the management of the Note Bank have repeatedly declared their inability on moral grounds to provide more money means for disposal for black market business, since in their opinion it is not proper that business should be financed with the help of the National Bank which in Germany itself is very heavily punished and which is also prohibited in Belgium both by German as well as Belgian laws. If on the German side these declarations were returned with a statement that on the Belgian side the economic regulations and production prohibitions were violated, it was nevertheless clear that this development was untenable in the long run. Since an elimination of the black market was impossible at the time, this at least had to be placed under control. In March 1942 therefore the Central Report Office [Zentralanmeldestelle] was founded, and in August 1942 the Supervision Office [Ueberwachungsstelle] was founded, which had laid before it for approval all black market purchases by German organizations.

The *result in goods of these black market purchases* was however relatively *small* in comparison to the money means sued for them, since the black market prices were on the average five times over the legal prices. According to calculations made in October 1942, with an estimated 33% money value proportion of black market purchases in clearing transfers, the true goods value of these purchases was only about 5-7% of the goods delivered through subcontracting [Auftragsverlagerung] to the Reich at fixed prices. From this results the fact that the indebtedness of the Reich to Belgium coming from black market business, which probably will have to be equalized in goods after the war, is very unfavorably related to the quantity of goods acquired.

After the exhaustion of the purely black market stocks it became necessary partially to eliminate the black market, which in the meantime had already converted itself to current production goods. The Military Administration, which always worked to fight the black market, therefore treated emphatically the decision of the responsible Berlin offices to limit black market purchases in Belgium after February 1943 with the aim of completely eliminating them by the end of May. Through a decree of the Reich Marshal—Four Year Plan of 2.IV.43—the immediate elimination of black market purchases by all German purchasing organizations was ordered in accordance with this and the order was given for the immediate dissolution of these organizations. This measure's publication requires that it be possible through strict economic control measures to draw out of Belgium the quantities of goods previously obtained for the German war economy through increasing normal production. However, this decree, monetarily and economically, is an important step towards the protection of the Belgian currency.

The *fight against black market trading* in the commercial sphere has in the meantime been taken up with increased strength. How far it can be made effective in the agricultural sector as well depends on whether sufficient quantities of food stuffs can be given to the population at normal prices.

II. National Bank of Belgium and Emission Bank in Brussels

1. *Changes in the bank management*

With the exception of the two crises mentioned in the introduction, cooperation between the Commissar at the National Bank and the two bank managements was satisfactory. In most cases agreement could be reached by negotiations. The Commissar did not need to make any use of his right to give orders [Weisungsrecht] to the Note Banks. The repeatedly appearing opposition in the Administrative Board [Verwaltungsrat] against the measures required by the war, particularly against the continually larger clearing debt, led to no difficult consequences.

2. *Belgian-French Gold Agreement of 29.10.40*

The gold previously given over to the Bank of France by the National Bank, amounting to

4,854 boxes valued at 545.7 mill. RM (Cash treasury of the National Bank of Belgium) and

90 boxes valued at 12.0 mill. RM (Property of the Savings Bank of Luxemburg, which in the meantime was sold to the German Reichsbank),

was brought by the end of May 1942 from Dakar via Marseilles to Berlin, where it has been deposited at the German Reichsbank. In Autumn, 1942 the Reich Government felt itself required to *lay claim to the gold of the National Bank for the Reich.* It was therefore confiscated on 19 September 1942 by the Oberprasident of the Province of Mark Brandenburg for the Deputy of the Four Year Plan, on the basis of the Reich Productivity Law [Reichsleistungsgesetz] of 1.IX.1939 (Para. 15, par. 1, No. 5, and Para 2a.). According to the instructions of this law the claim was made against recompense, for which was laid down the gold purchase price of the German Reichsbank, of 2,784 RM per 1 kg fine gold, minus costs arising from testing and refining.

On 4 December 1942 the National Bank received the written notice of the Reichsbank on the claiming by the Reich of the gold deposited in Berlin. It thereupon declared, that it considered itself as in the past a creditor of the Bank of France, to whom it had previously turned over a part of its cash treasure in 4,854 sealed chests, and that it therefore was not in a position to accept the Reichsmark payment offered from the German side as compensation for the gold. It has not recognized this confiscation *on its balance sheet* and shows its gold holding without change since May 1940 in its reports at 21.6 billion (Mrd) bfrs. The amount of the compensation refused by the National Bank is now supposed to be finally determined according to an evaluation proceeding under the Reich Productivity Law; then the sum will again be offered to the National Bank and if necessary will be deposited with the competent German court.

Nothing new has been published in the year of this report about the lawsuit between the Belgian Emigrant Government and the Bank of France at the Supreme Court of New York, over the transfer of the Belgian gold to the German Reichsbank, which does not directly affect German interests.

* * * * * * *

6. *Exchange of Reichskreditkassen certificates.*

Since the beginning of 1942 there appeared increasing amounts of Reichskreditkassen certificates in Belgium, which continually were offered at the Note Bank for exchange against Belgian means of payments. Since this inflow was mainly due to illegal imports (for the purpose of making illegal purchases in Belgium), while the removal of the legal tender quality of Reichskreditkassen certificates could not be considered, measures had to be sought to make it as difficult as possible to realize on newly imported Reichskreditkassen certificates. For these reasons there was transmitted on 7 July 1942 through the Belgian Banking Association a prohibition against Belgian banks taking Reichskreditkassen certificates in payment, paying them out, or exchanging them against Belgian francs. At the same time the population was called upon through a press announcement, to direct Belgian persons to the National Bank and German persons to the Reichskreditkasse for exchange into Belgian means of payment of Reichskreditkassen certificates offered as a means of payment in ordinary business transactions. Finally, effective *17 August 1942, the exchange of Reichskreditkassen certificates by the National Bank was halted* until further notice. The Reichskreditkasse continued to be available for the exchange from German hands within the framework of the existing foreign exchange regulations.

As will be clear from the presentation below, the influx of Reichskreditkassen certificates, which at any time could again be set into circulation, was thus cut down considerably. As early as September 1942, however, a certain relaxation of the exchange procedure was agreed on with the National Bank, and was later extended. The National Bank then exchanged all old stocks dating from before 17 August 1942 without difficulties, and also began again to exchange Reichskreditkassen certificates for retailers within their normal business turnover framework. It also introduced its branches again for the exchange and again treated these more liberally as a whole. However, this measure was not publicized, and greater relaxations are not contemplated, in order not to endanger again the overseeing and direction of the money flow by a new influx of Reichskreditkassen certificates; that would have left the activity of the Armed Forces Clearing Institute without substance and would have made more difficult the control of the black market.

In the second half year of 1942 large incoming shipments of German coins, which were continually offered to the Note Bank for exchange, were also noticed. In order to hold down illegal imports here too, after agreement with the responsible German offices in Berlin and France, the German 1.5 and 10 Rpf. coins were taken out of circulation as of 31 December 1942. The Emission Bank received a total of 72.1 million bfrs. of Reichspfennig coins, which according to the letter of the Chief of Military Administration [Militaerverwaltungschef] of 23 February 1943, were delivered currently to the Reichskreditkasse along with the monthly delivery of 50 million bfrs. of Reichskreditkasse certificates for the purpose of reckoning against the occupation costs. The exchanges of Reichskreditkassen certificates and Pfennig coins give the following picture:

	RKK stock at the Emission Bank	Exchange account at the RKK Brussels	Deliveries for reckoning on to occupation costs	Total of exchanges	Monthly exchanges by Belgian Note Banks	Exchanges by the Reichskreditkassen	
						Monthly	Total
1942							
May	491	3,566	500	4,557	234	85	128
June	720	3,566	550	4,836	279	92	....
July	1,633	3,566	600	5,799	963	142	....
August ...	1,782	3,566	650	5,998	199	93	....
September.	1,749	3,566	700	6,015	17	73	....
October ..	1,700	3,566	750	6,016	1	77	....
November .	1,651	3,566	800	6,017	1	48	....
December .	1,634	3,566	850	6,050	33	76	....
1943							
January ..	1,623	3,566	900	6,089	39	140	....
February .	1,575	3,566	950	6,091	2	47	....
March	1,531	3,566	1,000	6,097	6	48	....
April	1,482	3,566	1,050	6,098	1	52	1,101

Accordingly, the total exchange to 1 May 1943 amounted to:

Through the Emission Bank........	6,098 mill. bfrs. =	487.8 mill. RM and
Through the Reichskreditkasse	1,101	88.1
Total	7,199	575.9

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2. *German-Belgian clearing trade*

The German-Belgian clearing trade alone accounts for 19,499 million bfrs = 92% of the total increase in the clearing balance of 21,340 million bfrs. This increase is the result, for about one-third of black market purchases, the rest representing the increasing Belgian export to Germany for which there are only small imports from Germany on the other side of the account.

On 5.5.1942 a clearing arrangement went into effect which provided the following main points:

a) Political payments will not be met through the clearing, but through the occupation costs.

b) Clearing payments for armament goods will be made without special reports within a contingent of 4 million RM monthly. (The increasing sub-contracting of armament orders to Belgium resulted towards the end of 1942 in a considerable exceeding of the contingent of 4 million RM monthly, so that this had to be increased to 6 million RM monthly as of April 1943.)

c) The Emission Bank in Brussels will receive a listing report on the use of ⅔ to ¾ of the sums transferred as global transfers.

In order to be able better to control the money provided for direct sub-contract purchases [Verlagerungsauftraege] by Armed Forces [Wehrmacht] offices and for purchases on the black market, the Armed Forces Clearing Institute [Wehrmachtverrechnungskasse] in Belgium was created on 1 October 1942, through which all clearing transfers must go for the German central purchasing offices of the Armed Forces and for organizations which are occupied with buying black market goods. Thus the military administration is in a position to obtain for itself an idea of what German organizations are active in the country as purchasers and what money means are expended for this.

The clearing settlement of May 1942 led in Autumn of the same year to great delays in payments and to difficulties with the National Bank management (resignation of two directors). After long negotiations a new settlement was finally created for Belgian-German clearing traffic, which went into effect on 1 January 1943. According to this new settlement, black market purchases were in the future to be financed out of occupation costs, while the Reich agrees to settlement of goods purchases made by army units and taken out of the country—as well as transfers through the Field Postal Service—through the clearing. Since these two sums (troop purchases of goods which are not used in Belgium, and Field Postal Transfers) attain more or less the amount of the former clearing transfers for black market purchases, this is only a change in the titles under which clearing transfers take place.

The payments made from Germany to Belgium are divided as follows:

a. Transfers for military services (Armed Forces Clearing Institute)	Mill.	Mill.bfrs.
of which, for normal purchase	4,195	
for black market purchases	3,679	7,874
b. Transfers for genuine armaments		563

c. Shipment of Belgian banknotes to the Reich which are needed for Belgian workers or civilian travel	2,544
d. RM notes exchanged in Belgium from the hands of Belgian workers	24
e. Transfer of wage savings of Belgian workers	1,432
f. Other transfers for goods and services traffic	11,530
	23,967

To diminish the inflationary effect of the continually increasing clearing transfers, there was a proposal from the Belgian side at the end of 1942 that cash payments be somewhat cut down and that for the financing of industry the liquid funds of the firms be drawn on more strongly. With reluctant agreement of the competent German offices the Emission Bank went over from 1.3.43 on to paying out to a certain extent only 70% of the clearing transfers in cash, the remaining 30% being paid in 1½% deposit certificates of the Emission Bank. This process will also be used by the Armed Forces service offices in paying for Belgian deliveries and services in suitable cases. The circulation of deposit certificates was as follows on 30 April 1943:

	Number	Amount	No. of firms
Deposit certificates given out for the clearing payments of the Emission Bank	807	*Mill. bfrs.* 163.5	532
Deposit certificates given out by German agencies	543	45.6	433
	1,350	209.1	954

Till now a disturbance of ability and willingness to deliver by the issuance of deposit certificates has not been noticed.

Lately certain difficulties have appeared in the placing of these certificates. From the beginning of June, therefore, a decrease in the former percentage from 30% to 20% will take place.

The turnover in the German-Belgian clearing till 30 April 1942 amounted to:

	Mill. bfrs.	Increase in report year
Payments in Berlin	42,363	+23,967
Payments in Brussels	12,587	+ 4,267
	29,776	19,700

3. *Belgian-French clearing traffic*

The Belgian-French clearing traffic, standing in second place, which rose by 1,767 mill. bfrs to 2,678 mill. bfrs in the report period, shows the following payments on the French side:

	Mill. bfrs
Transfers to equalize the giro balances of the Reichskreditkassen in Belgium and France	1,728
Transfers in favor of the Armed Forces Clearing Institute	459
Shipment of Belgian Notes to the Bank of France	100
Transfers to Belgian recipients for goods deliveries	710
Transfers for wage savings of Belgian workers	470
Transfers for services	114
Transfers in capital traffic	170
	3,751

Payments in Brussels, on the other hand, amounted to only 1,984 mill. bfrs. The increase in the balance was in particular contributed to by the transfers for the account of military agencies or for the payment of Belgian workers employed by the Armed Forces in France. The Belgian efforts to equalize the remainder as far as possible by increased services on the French side (mainly by delivery of foodstuffs) has till now been without result. From the French point of view this is understandable, since a breakdown of the clearing balance shows clearly that in the civilian sector the proportion going to delivered French goods is greater than the deliveries of Belgian goods. A large part of the Belgian deliveries therefore falls in the military sector. In order to make possible a realization of the Belgian clearing credits, it was agreed in January of this year that Belgium can pay back its 5½% Foreign Loan of 1932 issued in France, up to bfrs 515 mill. partly by way of the Belgian-French clearing and partly by using the Belgian gold deposits in France.

5. *Belgian-Dutch clearing traffic*

The Belgian-Dutch clearing traffic, next in importance, shows an increase by 170 mill. bfrs. to 962 mill. bfrs. By the purchase of Belgian treasury certificates from Dutch holders it was possible in part to decrease the clearing balance, while on the other side the transfer of the equivalent of called-in Dutch 500 and 1,000 hfl notes cashed in Belgium, as well as the continuing need for Belgian means of payment to pay Belgians working in Holland led to an increase in the clearing balance.

6. *Capital transactions*

In the capital traffic between Belgium and Germany the balance increased according to the Special Account of the Emission Bank with the German Reichsbank on 30 April 1943 by 350 mill. bfrs to 503 mill. bfrs. This increase was almost exclusively caused by the recall of short-term money deposits at the German stronghold banks by the Berlin parent banks.

7. *Total turnovers*

The total turnovers in goods, services and capital traffic of Belgium with the 19 countries connected by clearings amounted up to 30 April 1943 to

	Mill. bfrs	Increase in year of report Mill. bfrs.
Payment in Berlin	57,742	31,067
Payment in Brussels	24,574	9,375
Balance	33,168	21,692

IV. Foreign Exchange Control

The delivery of gold and foreign exchange on the basis of the Foreign Exchange Order, brought in till 1 May 1943 a total of

	Mill. RM.
207 mill. bfrs. in gold and 85 mill. bfrs. in foreign exchange, i.e. a total of	23.4
which was delivered by the Emission Bank to the German Reichsbank in Berlin.	
Considering the Special Action for purchase of foreign exchange (Otto Wolf) Lei purchases for the Armed Forces	9.0
Mission in Rumania	4.2

Deliveries of gold and foreign exchange to the Reichskreditkassen	3.0
and the claim against the gold of the National Bank in Belgium deposited in Berlin	545.7
there results a total of	585.3

Belgian deliveries of gold and foreign exchange *to strengthen the foreign exchange position of the Reich.*

On 23 February 1943 the Emission Bank was called upon to give up the English pounds previously reported and to transmit them through the Reichskreditkasse to the Reichsbank in Berlin to be called in.

The desire of the Emission Bank to have this surrender worked by an order of the Military Commander, was refused on the German side. After long negotiations the Emission Bank finally declared itself ready to send the notices to the persons required to offer the exchange up. [Anbietungspflichtigen]. By the end of April about 50,000 English Pounds in Notes were sent to the Reichsbank in Berlin, which probably will account for them at 7 RM per Pound.

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VI. Banking Supervision

5. *Securities and foreign exchange purchases by the stronghold and enemy banks in the German interest.*

The purchase of securities from Belgium for the purpose of making capital ties between Germany and Belgium more intimate practically came to a standstill in the year of this report. Only certain special transactions were carried through, which were of war economy interest.

The purchase of Rumanian lei for the oil procurements by the Armed Forces were continued in greater amounts in the year of this report, in order that the official Belgian agencies could not find out about these deals through clearing transfers. Since 1941 total purchases have been:

1941.—18.25 mill. bfrs.
1942.—14.45
1943.—19.8

52.5 mill. bfrs. = 4.2 mill. RM

The securities, foreign exchange and special deals carried out by the stronghold banks and enemy banks under administration have reached since 1940 the sum of about bfrs. 1,115 mill. = RM 89.2 mill., of which about 300 mill. bfrs. = RM 24 mill. falls within the year of this report.

VII. Securities markets

* * * * * * *

(signed) von Becker.

Distribution

1. Military Commander in Belgium and Northern France General of Infantry von Faulkenhausen.
2. Chief of Military Administration Reeder.
3. Deputy Military Administration Chief Dr. von Craushaar.
4. Deputy War Administration Chief Dr. Beyer.
5. Major von Metzler, Brussels.
6. Administrative Department Group fin Attention OKVR (Superior War Administration Counsel) Wetter.
7. President of the German Reichsbank Reichsminister Funk, Berlin C 111.
8. Vice President of the German Reichsbank Mr. E. Puhl, Berlin C 111.
9. Ministerialdirigent Dr. Bayrhoffer Member of the Board of Directors of the Reichsbank, Berlin C 111.
10. Board of Directors of the Reichsbank Attention Director of the Reichsbank Wilhelm, Berlin C 111.
11. Ministerialdirektor Gramsch Prussian Ministry of State, Berlin W 9.
12. Ministerialdirigent Dr. Riehle Reich Ministry of Economics, Berlin W 8.
13. Ministerialrat Roth Reich Ministry of Economics, Berlin W 8.
14. Reich Ministry of Finance Attention Ministerialrat Breyhan, Berlin W 8.
15. Reichskommissar for the Management of Enemy Property Secretary of State Dr. Krohn, Berlin W 8, Mauerstr. 43/44.
16. German Commissar with the Bank of France President Dr. Schaefer, Paris.
17. Representative for the Dutch Bank Director of the Reichsbank Dr. Buehler, Amsterdam.
18. Special Commissioner "West" of the Central Administration of the Reichskreditkassen Director with the Reichsbank Dr. Schulte, Brussels.

19. Central Administration of the Reichskreditkassen, Berlin C 111.
20. German Armistice Delegation for Economics
    Attention Director of the Reichsbank Hartlieb, Paris.
21. Agency of the Foreign Office, Brussels.
22. German Institute for Economic Research, Berlin-Charlottenburg, Fasanenstr. 6.
23. Leading (Chief) Intendant (Finance and Supply Officer) with the Military Commander in Belgium and Northern France
    General Staff Intendant Fritsch.
24. Director of the Reichsbank Sattler
    Agency of the Reichskommissar for Norway, Oslo.
25. Representative for the Servian National Bank
    OKVR (Superior War Administration Counsel) Soehngen, Belgrade.
26. Defence Economic Officer with the Military Commander and with the Armament Inspectorate in Belgium and Northern France, Brussels.

TRANSLATION OF DOCUMENT ECR-155-A

Brussels, 7 December 1943

The Special Plenipotentiary—West—of the Central Administration of the Reichskreditkassen
File No. 2158/43

[Stamp]
Central Administration
of the Reichskreditkassen
13 December 1943 II Mail
File No. 11773/43

Subject: Occupation costs—Belgium and Payment of Expenditures of the German Armed Forces in Belgium through clearing.

According to summaries communicated to you monthly, regarding the receipt and expenditure of Belgium occupation costs, the Chief Paymaster of the Military Commander of Belgium and Northern France disposes of considerable assets on the account of Hauptkasse I at the RKK Brussels.

At the end of November of the current year they amounted to about RM 168 mill. which are covered

a. through assets on the account of the Central Administration of the RKK at the Emission Bank amounting to RM 68 mill. (after consideration of floating items) *b.* through Belgian means of payment frozen for this purpose in the Treasury of the RKK Brussels amounting to RM 100 mill.

The cash reserve fund of RM 100 mill. in Belgian francs was collected in the months March 1943 to September 1943 (refer to my letter of 14 May 1943). A further increase is not intended at the present time.

This favorable situation of the Chief Paymaster of the Military Commander of Belgium and Northern France is based on the one hand on the administration of working capital in Belgium as well as on the more exacting control over the exchange traffic of Armed Forces units, introduced by the Paymaster and the RKK. The main reason for the liquid money situation, however, is the effort expended by the Chief Paymaster to obtain return from the Reich through clearing of those expenditures which were made out of Belgian occupation costs without having been destined for Armed Forces purposes in Belgium. Of these expenditures, which were not related to occupation costs and which originated from Armed Forces needs outside Belgium, the Reich Minister of Finance first returned through clearing larger items totalling RM 110 mill. in August and September 1941. Between January and October 1943 the following amounts were requested through clearing and were again entered to the credit of the Paymaster by way of the RKK, for the Armed Forces Clearing Institute Brussels:

January	RM 20,434,000,—
February	RM 24,315,000,—
March	RM 18,505,000,—
April	RM 6,852,000,—
May	RM 22,447,000,—
June	RM 13,513,000,—
July	RM 9,618,000,—
August	RM 15,166,000,—
September	RM 13,998,000,—
October	RM 249,000,—
Total	RM145,097,000,—

Without these clearing receipts an increase of occupation costs would probably have already had to be approached.

Even though this circumstance is to be welcomed from the point of view of the Paymaster, and the Military Administration is relieved of the necessity of conducting negotiations regarding a possible increase in occupation costs with the Belgian agencies, which would be difficult to effect, it is necessary, however, to realize that transfer to the clearing represents future indebtedness of the Reich to Belgium. Therefore, the question arises whether on the German side an increase of Belgian occupation costs is to be preferred, or a constantly increasing indebtedness of the Reich to Belgium. There is no doubt that it is to Germany's interest to burden Belgium more heavily in order to relieve Germany of future liabilities in the clearing. While monthly payments of occupation costs here remained nominally the same for some time and while they have lost materially in weight for Belgium on account of the increase in prices, the Belgian-German clearing balance rose in the meantime to bfrs. 47 Billion. On the other hand, Belgium paid a total of bfrs. 53.5 Billion occupation costs up to the end of November 1943.

As far as I have been informed, above development has been observed with increased attention by Military Administration for some time.

The Special Plenipotentiary—West—of the
Central Administration of the RKK.

TRANSLATION OF DOCUMENT ECR-166

The Special Plenipotentiary—West—of the Central Administration of the RKK

Brussels, 10 May 1944

Subject: Cash situation of the Chief Paymaster at the Military Commander in Belgium and Northern France

Reference: My reports of 7.12.1943 and 24.1.1944.

In connection with the above reports you are informed that the Chief Paymaster at the Military Commander in Belgium and Northern France disposes at present of Belgian francs valued at around RM 200 million. Of this RM 177 million was kept at the Reichskreditkasse in Brussels at the end of April, the rest was located in the tills of the Hauptkassen and military agencies or in their accounts at the Emission Bank in Brussels.

Of the deposit of the Zentralkasse Belgium (previously Hauptkasse I) at the RKK in Brussels, amounting to RM 177 mill., RM 135 mill. is kept ready in Belgian cash as an always available reserve. This cash stock has been divided among the following RKKs for security reasons, in agreement with the Military Commander in Belgium and Northern France:

	Million
RKK Brussels	RM 74
Liege	RM 30
Nancy	RM 31

For payments made out of Belgian occupation costs, but nevertheless not for occupation cost purposes, the Chief Paymaster has till now brought back via the clearing from Reich agencies about a total of RM 200 million. As a result of the idea advanced within the Military Administration at the end of the previous year, not to allow the future indebtedness of the Reich to Belgium to swell up beyond all measures through the shifting of such items to the clearing, it was then decided not to make further recompense through the clearing from the Reich. In the expectation of additional expenditures the Chief Paymaster again intends, however, to create additional reserves by demanding return through the clearing of expenditures temporarily made out of occupation cost funds. For this purpose he went over the payments made previously by him and calculated a total amount of RM 474 mill. which apparently have been met out of occupation costs illegally, and therefore are to be returned through the clearing. This desire was presented to the Economic Department of the Military Administration, which at the same time is supposed to find out what the Emission Bank would think of the flow of such a large sum. It is already obvious that the Emission Bank will not pay out through the clearing the sum demanded in one lump, so that probably partial payments will have to be considered, which will not run up against resistance at the institution.

The occupation costs paid by the Belgian state at present amount to the equivalent in bfrs of RM 120 million a month. In the first four months of this year the Chief Paymaster disposed of a monthly average of RM 127 million, including the amounts to be paid by him for exchange operations (around 6 mill. RM per month) and for the taking over of RKK certificates from the Emission Bank (RM 4 million per month). This was possible by falling back on the reserves mentioned above. In case the sum reported at RM 474 mill. went into the clearing, the reserves of the Paymaster would amount to a total of RM 670 million, which would be equivalent to 5-6 monthly payments of occupation costs.
To Central Administration of RKK

Sp. Plen. of RKK
(signed)

Brussels, 21 July 1944

The Reich Commissar for the Occupied Areas of Belgium and Northern France
Economic Department, Gr.VIII
To the German Armistice Commission for Economics, Paris
Az: Wi CIII/money/3357/44-5d
SUBJECT: Equalization of monthly balance in giro traffic of the Reichskreditkassen.
REFERENCE: Letter of 30 June of this year, No. 2100/44

In agreement with the Chief Intendant attached to the Armed Forces Commander in Belgium and Northern France and with the Special Plenipotentiary—West of the Central Administration of the Reichskreditkassen, Brussels, your proposal to undertake the equalization of the monthly balance in giro traffic between the Reichskreditkassen in France and Belgium in the future through the German-Belgian clearing instead of through the Belgian-French clearing, cannot be agreed to for the following reasons:

As you know, the first flow of the balance of about 40 million RM through the Belgian-French clearing in December 1941 already caused great difficulties on the Belgian side. The Emission Bank in Brussels refused to carry out the transfers. The Commissar at the National Bank of Belgium thereupon ordered the out-payment through his power to give orders [in Anweisungsweg]. Thereupon objections were raised not only by the Emission Bank in Brussels, but also by the General Secretary of the Belgian Finance Ministry. In order to make possible the carrying through of the agreement reached, the Belgian Finance Ministry had to be granted a rebate on the occupation cost payments.

From the beginning the Belgian side represented the point of view that the balance to the favor of Belgium had to form the basis for a claim against France, and not against the Reich, for which a later equalization in the form of goods had to come. It was then thought desirable to erect a Special Account in the name of the Emission Bank at the Bank of France. If it was possible to equalize the monthly balance till now through the French-Belgian clearing without further objections from the Belgian side, nevertheless, it must be kept in mind that the Belgian agencies have always emphasized in all conversations that they only recognize the flow through the central clearing in a bookkeeping sense, and maintain their claim for goods against France. Under these circumstances it is completely hopeless to undertake negotiations with the Belgian agencies with the aim of equalizing the balance in the future through the German-Belgian clearing, according to your wish.

In order to make concessions to your wishes to save on occupation cost funds, it will be attempted in the future to cut down the balance, amounting previously to about RM 6 or 7 million per month, to about RM 3 or 5 million, in paying out the transfers, in that it will be assured through sharper control measures that only those payments will be directed through the Reichskreditkassen giro traffic which cannot go openly through the Belgian-French clearing.

Considering the above explanations, it is therefore requested, that you effect the extension of the agreement on transmission of the monthly giro traffic balance of the Reichskreditkassen in Belgium and France through the Belgian-French clearing, on the same conditions as before, by an additional six months, i. e., up to 31 December 1944, as requested on the basis of the letter of 17 June of this year of the Military Commander in Belgium and Northern France.

(Signed) per Dr. Bayer

TRANSLATION OF DOCUMENT ECR-173

The Commissar at the National Bank of Belgium

Brussels, 15 August 1944.

Report for July 1944; Explanation of the consolidated balance sheet of the National Bank of Belgium and the Emission Bank in Brussels of 3.8.1944 (Period covered by report: 29 June to 3 August 1944, 5 weeks)

I

A certain reaction has followed in July the extraordinary demands on the Note Banks made in May and June, 3,651 million bfrs and 3,660 million bfrs respectively. The demand liabilities of the National Bank increased by only 2,224 million bfrs; they remained thus much higher than the monthly average of 1943, 1,654 million bfrs. This decrease in the monthly demands on the Note Banks was caused in the main by the favorable development of deposits at the banks, which continued throughout the whole month. The money and capital market was able to finance the uncovered State needs by taking up about 2 billion (Mrd) bfrs of treasury certificates, while the Note Bank had to increase its credits to the State by an additional 1 billion bfrs. The increase in clearing remained at 1.6 billion bfrs, under the increase in the previous month of about 2 billion bfrs. In detail, the picture was as follows:

		Mill. bfrs.
Note circulation increased by		2,759
(previous month 3,202 mill. bfrs.) to 98,307 mill. bfrs. while deposit accounts decreased by		535
to 14,013 mill. bfrs.		
The increase in demand liabilities by		2,224
was caused by the following changes in assets:		
The clearing balance increased by		1,759
and exceeded for the first time the 60 billion mark, at 60,993 mill. bfrs.		
Credits to the State increased by		1,028
		2,787
On the other hand, there were decreases in:		
giro account at the RKK by	194	
holdings of foreign banknotes by	112	
Private credits by	29	
to a new low of 270 mill. bfrs. and of securities holdings by	223	558
as a result of the demand for State paper on the securities exchanges		2,229

The stock of RKK certificates in the tills of the Emission Bank decreased in the period of the report by 100 mill. bfrs. to 694 mill. bfrs equals 55 mill. RM.

The circulation of deposit certificates of the Emission Bank decreased by 39 mill. bfrs to 689 mill. bfrs, which is in circulation in 14,656 individual certificates. This decrease is connected with greater deposits for premature cashing, since industry has been forced as a result of the tense situation to maintain utmost fluidity.

The total claims of the Belgian note banks against the Reich increased by 1,462 mill. bfrs to 65,364 mill. bfrs, equals 5,228 mill. RM.

II

The development of the clearing credits showed the following picture in the calendar month of July 1944:

In goods and services traffic (DVK) the credit increased by	1,521	mill. bfrs to	59,766
and in capital traffic (Reichsbank) by	73		1,071
Total increase in July	1,594		60,837

compared to 2,037 mill. bfrs in June 1944.

In the German-Belgian clearing traffic (goods and services) the balance increased by 1,444 mill. bfrs. to 54,993 mill. bfrs. equals 4,399 mill. RM.

In Payments in Berlin amounting to	1,909 mill. bfrs
Were opposed in in-payments in Brussels of	465

The proportion of German to Belgian payments, accordingly, amounted to 1:4.1 as compared to 1:5.7 in the previous month. The relatively favorable clearing development is due mainly to increased in-payments in Brussels, while in-payments in Berlin remained almost the same.

The objections to the development of the clearing, made in increasing amount in the Directors meetings [Verwaltungsraeten] of the National Bank and Emission Bank in the course of the last months, particularly as regards payments which are carried out through the Armed Forces Clearing Institute, have been expressed in a Note from the Emission Bank dated 19 July 1944. This Note, which is supposed to provide the foundation for new clearing negotiations, is at present being thoroughly examined.

The credit in the Belgian-French clearing traffic increased by 68 mill. bfrs to 4.165 mill. bfrs. In clearing traffic with Holland it increased by 23 Mill. bfrs to 1,360 mill. bfrs.

III

The siphoning-off on the money and credit market was favorable, since—as explained above—the influx of deposits to the banks has again become normal. The following was disposed of:

[In mill. bfrs.]

	July 1944	June 1944
Treasury Certificates	1900	1301
State loans, within the framework of the National Bank's open market policy	223	—88 (Withdrawal)
New emissions	--------	--------
Treasury certificates for deliveries and capital traffic	?	14
	2123	1227
Deposit certificates of Emission Bank	—39	6
Public, semi-public and private loans	27	123
	2111	1356

The Treasury certificates in circulation on 3.8.1944 (without the 5 billion for Belgian war costs, Law of 10.5.40) were held as follows:

[In million bfrs.]

	3.8.44	Percent	29.6.44	Percent	Increase or decrease
National Bank of Belgium Emission Bank in Brussels	10,345	19	9,304	18	1,041
Postal Checking Service	3,390	6	3,415	6	—25
Open market (banks)	41,196	75	39,271	76	1,925
	54,931	100	51,990	100	2,941

The occupation cost payments of Belgium amounted at the end of July 1944 to 65,498 mill. bfrs equals 5,239.8 mill. RM.

IV

The cash circulation increased in the calendar month of July by 2,400 million bfrs., compared to 3,467 mill. bfrs. in the previous month and 1,332 mill. bfrs. in the monthly average for 1933. It was composed as follows:

[In million bfrs.]

	1.8.1944	1.7.1944
National Bank Notes	98,100	95,918
Minus depot at the Bank of France	452	452
	97,648	95,466
State Notes	3,333	3,117
Large coins	1,177	1,176
Small coins	431	430
	102,589	100,189

(signed) JOST
Military Administration Department Head.

Distribution
1. * * *
2. Chief of Military Administration
Regierungspraesident Reeder.
3. Chief of the Economic Department
Deputy Chief of Military Administration Dr. Beyer.

4. Leader (Chief) of the Administrative Department.
5. Chief Intendant (Finance and Supply Officer) with the Military Commander in Belgium and Northern France
   General Staff Intendant Fritsch
6. Liaison Officer of the Military Commander in Belgium and Northern France with the Military Commander in France
   Lt. Col. Hartog, Paris.
7. Liaison Officer of the Military Commander in Belgium and Northern France
   Major Strenger, Berlin.
8. Major von Metzler, Brussels.
9. Administrative Department Group fin
   MVA Chief (Chief of Military Administration Department) Wetter.
10. Vice-President of the German Reichsbank
    Mr. E. Puhl, Berlin C iii.
11. Ministerialdirigent Dr. Bayrhoffer
    Member of the Board of Directors of the Reichsbank, Berlin C III.
12. Board of Directors of the Reichsbank
    Attention Director of the Reichsbank, Wilhelm.
13. Ministerial Director Dr. Bramsch
    Prussian Ministry of State, Berlin W 9.
14. Ministerialdirektor Dr. Riehle
    Reich Ministry of Economics, Berlin W 8.
15. Reich Ministry of Economics—for the country of Belgium
    Attention Ministerialrat Roth.
16. Reich Ministry of Finance
    Attention Ministerialrat Breyhan, Berlin W 8.
17. Reichskommissar for the Management of Enemy Property
    Secretary of State Dr. Krohn, Berlin W 8, Mauerstr. 43/44.
18. German Commissar with the Bank of France
    President Dr. Schaefer.
19. Representative for the Dutch Bank
    Director of the Reichsbank, Dr. Buehler, Amsterdam.
20. Reichskommissar for the Occupied Norwegian Territories
    Representative of the Reichskommissar with the Norges (Norwegian) Bank
    Attention Director of the Reichsbank Sattler, Oslo through Berlin N 4.
21. Military Commander South-east—Chief of Military Administration
    Representative for the Serbian National Bank, Belgrade.

22. Special Commissioner "West" of the Central Administration of the Reichskreditkassen
    Director with the Reichsbank Dr. Schulte, Brussels.
23. Central Administration of the Reichskreditkassen, Berlin C III.
24. German Armistice Delegation for Economics
    Attention Director of the Reichsbank Hartlieb, Paris.
25. Agency of the Foreign Office, Brussels.

PARTIAL TRANSLATION OF DOCUMENT ECR-174

The Commissar at the Netherlands Bank
Amsterdam, 12 June 1941

Netherlands Bank.
Money and Credit

Subject: Material for May Report to the Fuehrer (Following my report to the Fuehrer of 9 May 1941)

* * * * * * *

The increase in "Foreign Bills" by 179 mill. gulden to 201.9 mill. gulden is exclusively caused by the purchase in the month of this report of German Reich Treasury Certificates, which was made at the expense of the Reichsmark deposit of the Netherlands Bank at the German Reichsbank (Account No. 2038).

The decrease in "Other Assets" by 92.3. mill. gulden to 211.7 mill. gulden is mainly connected with this investment, since the Reichsmark means of payment and deposits which are acquired are booked on the account "other assets" until their conversion into Reich Treasury Certificates. Furthermore, there is included in the decrease in "other assets" the equivalent value of the prize gold sent on 30 April 1941 to the German Reichsbank for the account of the Reichshauptkasse, amounting to 19.5 mill. gulden. On the basis of the decision of the Prize Court of Hamburg, of 1 March 1941, the gold previously deposited in my name was taken in as a prize for the German Reich.

* * * * * * *

Ever since the introduction of free payments traffic the status of the Netherlands Bank is mainly influenced by the taking-up of Reichsmarks. On 31 March 1941, the day before the introduction of free payments traffic, the Netherlands Bank had a total stock of about 83 mill. RM of Reichsmark credits, on 30 April 1941 of about 213 mill. RM and on 31 May 1941 of about 366 mill. RM. Thus in the two months after the removal of the foreign exchange frontier it has taken up about 283 mill. RM, and has placed at the disposal of the favored parties the gulden equivalent, at the rate of RM 132.7 equals florin 100, on the basis of the transfer agreement with the Reichsbank signed on 10 July 1940.

The Reichsmark sums credited to the account of the Netherlands Bank at the Reichsbank in Berlin are, as has already been stated, currently invested in German securities, and mainly in Reich Treasury Certificates. On 31 May 1941 the amount was 273 mill. RM. Through such investments, therefore, the Netherlands Bank contributes to the German financing of the war. For the bank itself the German securities represent first grade liquid investments, as a result of their short terms and rediscount and lombard features. The Note Bank, as the final reserve of liquidity for its country, is duty bound to give consideration to this. It must at any time be in a position to place at the disposal of the economy, in particular, the necessary Reichsmark means of payments to pay for goods imports from the Greater German Reich. It has to satisfy demands for this purpose in large volume, even during the course of the war, since the clearing traffic has been ended, but these will without doubt increase tremendously after the establishment of peaceful conditions in Europe.

Various German agencies have already repeatedly expressed the wish that the Netherlands Bank place at least a part of its Reichsmark credits in long-term form in the German economy. The Netherlands Bank looks upon such wishes favorably, and would itself be happy if it were possible to realize on the Dutch side as well an extensive economic penetration through purchase of participations in German enterprises, above all those which exploit the latest technical achievements. With regard to the necessity of maintaining liquidity, mentioned above, it cannot however undertake to purchase participations of this nature itself, but rather must leave this to the interested economic circles coming into question and limit itself to providing the Reichsmark credits necessary to pay for the participations to such circles, against provision of the gulden equivalent. It is to be expected that requests of this nature will come to the bank as soon as the final German military success has convinced the Dutchman of the necessity of a greater rapprochement to the Greater German economic space.

The Reichsmark means of payment taken up by the Netherlands Bank have until now had little influence on the money circulation. The fears frequently expressed at the time of the elimination of the foreign exchange frontier, that the introduction of free payment traffic would result in a great extension of note circulation and giro liabilities, have till now not been realized. As the following summary shows, the slow increase in money circulation which resulted since the beginning of the occupation has on the whole been higher in the months before the introduction of the free payments traffic than in the months April and May 1941.

Circulation of means of payment (Note Circulation and sight liabilities)
[In million guilders.]

		Change
on 27 May 1940	1,470.4	—60.
24 June	1,409.7	—60.7
29 July	1,473.1	63.4
26 August	1,485.8	12.7
30 September	1,531.7	45.9
28 October	1,553.5	21.8
25 November	1,622.4	68.9
30 December	1,726.6	104.2
27 January 1941	1,699.4	—27.2
24 February	1,630.6	—68.8
31 March	1,737.8	107.2
28 April	1,784.6	46.8
26 May	1,796.2	11.6

It has been shown that the Reichsmark means of payment exchanged into gulden are only withdrawn in cash or remain in the form of giro deposits at the Note Bank to a small part; by far the largest part rather goes via the cashless transfer traffic into the economy, and finds its resting place in increasing deposits at the banks. The increase in the total purchasing power of the country which is thus caused is siphoned off to the greatest possible extent by taxes and short and long term state loans.

B. *Status and development of state finances.*

During the month of this report the first year of the occupation came to an end. The development of state finances was largely under the influence of the occupation costs. This is divided, as regards its origins, into the needs of the Armed Forces, the Civil Administration, the advances for clearing in payments, and the taking up of RKK certificates and internal German currency.

The Netherlands State has granted the Chief Paymaster at the Military Commander a credit of unlimited size to defray the needs of the Armed Forces, at the expense of which the total requirements of the German Armed Forces in the Netherlands for working capital are covered. The Chief Paymaster keeps separate accounts for the expenditures on pure occupation costs, which are to be borne by the Netherlands State, and non-occupation costs, which are returned by the Reichshauptkasse. In judging the question of which payments are to be considered as occupation costs, the main point of view is whether the products purchased or produced on orders of the Armed Forces in the Netherlands remain in the Netherlands (occupation costs) or leave the Netherlands territory (non-occupation costs).

In the first months the credit was made available by the Military Commander in the Netherlands requesting a certain sum from the Netherlands Finance Minister towards the end of each month for the month following, the amount of which depended on the payment obligations due at the time, and which therefore was subject to fluctuations. In order to preserve the financial economy of the Netherlands from disturbances, the Chief Paymaster at the Military Commander in the Netherlands will demand equal monthly payments of 100 million gulden, in agreement with the Supreme Military Command (OKW), as has already taken place since the beginning of this year, and will leave any unused sums as a deposit on his account. This deposit serves to cover expenditures which exceed the sum of 100 million gulden demanded monthly. Insofar as this reserve does not suffice in the course of the months for this purpose, the deficit will be made available through the Reichshauptkasse.

Although from the military point of view the concept of occupation costs is equivalent to expenditures which serve to satisfy the direct needs of the Armed Forces, from the point of view of state finances there must be included in the sphere of the occupation costs all other appropriations connected with the occupation. However, these are much smaller than the direct needs of the Armed Forces. Such expenditures are the costs of the civil administration, furthermore the credits which the State granted to the Clearing Institute for the purpose of prepayment of the Netherlands export claims up to the time of the removal of the foreign exchange frontier, and finally the cashing of RKK certificates and internal German means of payment.

Credits to the Clearing Institute are still necessary only insofar as the prepayment of export transactions which were made prior to 1 April of this year is concerned. Since the introduction of free payments traffic payment for exports within the Greater

German Reich is made through the accounts of the banks, mainly through the account of the Netherlands Bank, which takes on the exchange into gulden means of payment without further formalities. Insofar as the Clearing Institute requires Reichsmark amounts to equalize debit balances in clearing traffic with third countries, it must procure them from the Netherlands Bank or from other banks.

Since the beginning of the occupation the exchange of RKK certificates was made at the expense of the State Treasury. The same was true for internal German means of payment up to the introduction of free payments traffic. The Netherlands Bank sent them from time to time to the Reichsbank, in the same way as the gold and foreign exchange stocks delivered because of the call-up of foreign exchange, and the Reichsbank transferred the Reichsmark equivalent to the clearing account of the Clearing Institute. In order not to burden the state finances unnecessarily, the Netherlands Bank renounced for the time being the payment of the gulden equivalent. Thus there arose in the course of the months a claim of the Netherlands Bank against the Clearing Institute, i.e., in practice against the State, amounting to 121.5 million gulden, which appears in the balance sheet of the Netherlands Bank under "Other Assets". Since the removal of the foreign exchange frontier the Netherlands Bank takes up the internal German means of payment and deposits for its own account and makes available the gulden equivalent in accordance with the transfer agreement signed with the Reichsbank.

The Netherlands Finance Ministry tried to continue to confer on the means of payment taken up by the Netherlands Bank the character of occupation costs, and proposed to make available a fund to be provided out of State means to take up these means of payment. The President of the Netherlands Bank, Mr. Rost van Tonning, did not agree to this proposal, however, but pointed out that the treatment of internal German means of payment as occupation costs cannot be reconciled with the idea of a close economic interpenetration with the Greater German Reich.

The Netherlands Bank is covered against exchange risks which could result from the taking up of internal German means of payment by a state guarantee of April 1941, which does not however, cover the investments of Reichsmark deposits.

Up to 31 May 1941 the Netherlands State had spent for occupation costs:

	Mill. gulden
a. Credit of the Chief Paymaster at the Mil. Commander in the Neths.*	931.6
b. Credit for the Reichskommissar	32.5
c. Credit in favor of the Netherlands-German clearing traffic	220.0
d. RKK certificates cashed	102.6
	1,286.7

To this must be added the claim of the Netherlands Bank against the Clearing Institute, mentioned above, for 121.5 million gulden, and 75 million gulden for the part of the external occupation costs demanded in addition which was to be provided in gold, and which was procured from the Netherlands bank by the State against payment of the gulden equivalent. (The additional instalment payment on the external occupation costs amounted to 500 mill. RM, of which 100 mill. RM equals 75 million gulden were to be delivered in gold; 400 mill. RM was transferred to the Reichshauptkasse at the expense of the clearing account. The Netherlands State cancelled its claim against the Clearing Institute for 220 mill. gulden, and will cover the remainder by credits which will in the future be demanded to prepay export claims (see above).

The means to cover the costs arising in connection with the occupation could not be covered out of the current tax income; since this does not even suffice for covering the ordinary state expenditures, which have been increased by the war events. Therefore the Finance Minister had to undertake borrowing. He made continual calls on the credit at the Netherlands Bank available to him on the basis of the bank law, and used it frequently up to the maximum limit of 15 million gulden. Furthermore he borrowed from the Postal Administration and other State institutions. The main source of procurement of means was however the issuance of treasury certificates and treasury bills, which, as a result of the liquidity of the capital market, could be disposed of to a large extent in the open market. The absorptive ability of the banks, however, decreased for a time, so that the State had to fall back on the Netherlands Bank to a great extent for a time. Through this type of money procurement the floating debt increased from month to month, and attained on the 31 May 1941 the amount of 1,674 mill. gulden. If one includes the portion consolidated in February of this year, 500 million gulden, and subtracts the short-term Netherlands State debt amounting to 493 mill. gulden which existed already on 7 May 1940, there results a net increase in debt of 1,681 mill. gulden. Of this, 1,286 million gulden falls to occupation costs, as defined above, plus 75 mill. gulden in gold for the external occupation costs.

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* For the period up to 31 May 1941 a sum of 1,095 mill. gulden was promised; the Military Commander disposed of 1,087.9 mill. by letters of authorization in the period named.

The means used to finance the floating debt, as of 31 May 1941, were as follows:

Use of the maximum legally permissible credit at the Netherlands Bank	15
issue of treasury certificates	143
issue of treasury bills (of which placed directly at the Netherlands Bank 125 mill. gulden on 31.5 and 213 mill. gulden on 30.4.41)	1,360
issue of silver bonds	83
use of public funds	73
	1,674

Signed: Dr. Buehler

TRANSLATION OF DOCUMENT ECR—175

Reichskreditkasse

Amsterdam, 18 May 1941

Subject: Occupation Costs

As has already been stated by telephone, the amount of Occupation costs for the month of March 1941 is hfl. 70 mill. Non-occupation costs for the month of March 1941 is hfl. 23.8. Occupation costs for the month of April 1941 hfl. 117 mill. Occupation costs for the month of May up to 16 May hfl. 116 mill.

The credit placed at the disposal of the Military Commander in the Netherlands by the Dutch Finance Minister amounts to 100 million hfl. per month. On the German side it has been attempted not to exceed this credit. As is shown in our report of 19.3, this has been possible in the past year. In this present year, however, the requirements, mainly for non-occupation costs, have increased greatly.

The values arising from non-occupation costs go to the Homeland; their equivalent is returned to the Military Commander by the Reichshauptkasse. This has previously been done through the German-Dutch clearing. At the time of the elimination of the foreign exchange frontier, a fund of about hfl. 95 million was on hand, out of these return transfers. As reported already on 19.3, the question arose as to who had a claim on this sum. It was, we have heard, one of the problems which had arisen around the person of the Finance Minister and President of the Note Bank, Mr. Trip, which have now been eliminated through his leaving. Thus the power of disposition of this fund now belongs solely to the Military Commander, who takes advances out of it whenever the monthly credit is not sufficient. The return transfers from the Reichshauptkasse flow to him as before. They go to the account of the Military Commander at the Netherlands Bank in the Hague.

The total amount of occupation costs for the past month is available to us in the Hague on the 15th, the division into occupation costs and non-occupation costs is available only on the 25th. We will be able to give it to you for April at the end of May.

To the Central Administration of the RKK in Brussels.

Reichskreditkasse
[two illegible signatures]

TRANSLATION OF DOCUMENT ECR–176

From: RKK Amsterdam, 27 May 1941
To: Central Administration of RKK Brussels
Subj: *Occupation Costs.*

The occupation costs are equivalent to the withdrawals of the Milit. Commander from the "Niederlandischen Bank."

The sums requested till now by the Milit. Commander amounted to a monthly average of 100 Mill fl.

Monthly amounts	
July 1940	100 mill. guilders.
August	155 mill. guilders.
Sept.	90 mill. guilders.
Oct.	80 mill. guilders.
Nov.	90 mill. guilders.
Dec.	100 mill. guilders.
Jan. 1941	80 mill. guilders.
Feb.	100 mill. guilders.
March	100 mill. guilders.
April	100 mill. guilders.
May	100 mill. guilders.
June	100 mill. guilders.
Total per month 100 Mill. Guilders	1,195 mill. guilders for 12 months average

ECR-176

The amount requested is being credited monthly to the account of the Military Commander at the Niederlandischen Bank and withdrawn by him as needed. Credits having been higher than requirements last year, resulted in a considerable credit-balance called Guldencredit. In the current year the requirements have exceeded the credit of 100 Mill hfl.

Jan.	103.5 Mill.
Feb.	125.5 Mill.
March	93.8 Mill.
April	118.4 Mill.

The amounts exceeding 100 Mill hfl during Jan. and Feb. were taken from the existing balance. During March the occupation costs did not reach 100 Mill hfl. On April 1st the foreign currency frontier [Devisengrenze] was eliminated. Through refunds of non-occupation costs by the Reichshauptkasse a fund of about 95 Mill hfl has been accumulated which should furnish in future, according to the instructions of the OKH, the amounts exceeding the 100 Mill credit. This has happened already during April. Refunds of non-occupation costs will not take place any more.

Requirements exceeding 100 Mill hfl should be taken from 1. (the fund 2.) the Guilders credit balance until both are used up. The first amounts now is 73. Mill hfl, the latter 57 Mill hfl. At the exhaustion of this reserve, amounts exceeding the 100 Mill credit, should be requested from the "Reichshauptkasse." This should not happen for at least 6 months. It is not intended to increase the occupation costs of abt. 100 Mill hfl. since already the request for disproportionally great credits in Aug. 1940, caused strong arguments.

PS:	For April occupation costs are	91,1 Mill.
	Non-occupation costs are	27,3 Mill.
	Total hfl.	118,4 Mill.

Enclosure:

April	118,4 Mill hfl	Military use.
	4,1 Mill hfl	Civilian use.
May	100,9 Mill hfl	Military use.
	2,7 Mill hfl	Civilian use.

May occupation costs	67,2 Mill hfl.
Non-occupation costs	33,7 Mill hfl.
	100,9 Mill hfl.

TRANSLATION OF DOCUMENT ECR-177

Reichskreditkasse Amsterdam, 30 June 1941

Subject: Occupation Costs.

The Military Commander in Holland just informed us, that the figures for May changed as follows:

Occupation costs	76,2 mill guilders.
Non-occupation costs	33,7 mill guilders.
Total	109,9 mill guilders.

Reichskreditkasse
[signatures illegible]

To the Central Administration of the RKK *in Berlin*

TRANSLATION OF DOCUMENT ECR-178

Reichskreditkasse Amsterdam, 25 July 1941
Herrengracht 380

Subject: *Occupation Costs.*

To the Central Administration of the RKK *in Berlin*

The Military Commander in Holland informed us today of the occupation costs for June 1941.

The figures are:

Occupations costs	80,1 mill guilders.
Non-occupations costs	21,3 mill guilders.
Total	101,4 mill guilders.

Reichskreditkasse
[signatures illegible]

TRANSLATION OF DOCUMENT ECR-179

Reichskreditkasse Amsterdam, 28 Aug. 1941

Subject: *Occupation Costs.*

The occupation costs for July 1941 amount to.. 66,9 mill guilders
The non-occupation costs July 1941 amount to..24,3 mill guilders

Total..........91,2 mill guilders

A credit of 5,6 mill guilders for the civil administration [Reichskommissar] was demanded in July 1941.

We are informed by the Chief Paymaster of the Military Commander that the occupation costs have tendency to increase at present because of the movement of larger navy and air force units to Holland. Larger elements of the Army will follow in the winter. Occupation costs for Aug. will be about 100 Mill, for Sept. about 110 Mill. guilders.

During a personal discussion with the left-undersigned we were complimented by some gentlemen of the Chief Paymaster

Office for the pleasant collaboration with the RKK Amsterdam and they also expressed their wish that no change in the management of the RKK should take place.

Reichskreditkasse
[signature illegible]

To the Central Administration of the RKK, Berlin C III.

TRANSLATION OF DOCUMENT ECR-180

Amsterdam, 30 September 1941

Reichskreditkasse
Subject: Occupation Costs.

For the month of August 1941 occupation costs are	72.0 mill.
Non-occupation costs amount to	22.6 mill.
Total in gulden	94.6 mill.

The credit for the civil administration [Reichskommissar] was drawn on in August 1941 for 3.2 million gulden.

As we mentioned in our report of 28.8.41, occupation costs have a light tendency towards increasing. This is particularly due to the Navy, which makes increased demands due to large shipbuilding contracts. Thus in August the consumption by the Navy and Air Force was about the same, at 40 million gulden each, while that of the Air Force has previously been about 10 million gulden higher. As a whole, the amount of occupation costs is mainly determined by new construction which has become necessary, the new building of airfields and the letting of shipbuilding contracts, less by the consumption of troop units. The monthly need of a division at war strength is estimated at 3, or at the most 4 million gulden.

Until now, the financial situation of the Military Commander had developed favorably, since the credit of 100 million gulden available monthly has only been consumed completely infrequently. The credit reserve, composed of funds from return transfers by the Reichshauptkasse and the gulden credit balance, on which we reported in detail on 27.5.41, amounts at present to 145.7 million gulden. The Reichshauptkasse will therefore not be drawn on in the predictable future.

However, these facts do not have to be known by the Netherlands financial administration, since they are always trying to get a reduction in occupation costs.

Reichskreditkasse
[two signatures illegible]

To the Central Administration of the RKK, Berlin.

TRANSLATION OF DOCUMENT ECR-181

RKK

Amsterdam, Oct. 28, 1941
[Stamp]
Centr. Admin.
Oct. 31st 1941 1. Part
File number 19864/41

Subject: *Occupation costs.*

Occupation costs for the month of Sept. 41	77,6 Mill fl.
Non-occupation costs for the month of Sept. 41	22,5 Mill fl.
Total guilders	100,1 Mill fl.

The credit for the civil Administration [Reichskommissar] only claimed 100,000 guilders in Sept. 41, as there was an asset left from the previous months. But in the first week of Oct. alone it already was drawn on for 3,000,000 guilders.

The previously reported rising tendency of occupation costs keeps on. The orders from the Navy for shipbuilding and also for Airports from the Aircorps are responsible. The troop consumption is less important at the time being but is expected to increase also. In the near future, a transfer of 4 Div. from Russia to Holland is to be expected. Troops stationed in Holland at the present will be moved further toward the Coast while the newly arriving troops will occupy the vacant space behind the front. A further increase of occupation troops is to be expected. A rumor among the Dutch people speaks of 500,000, which is considered as exaggerated by the BN.

We do expect an increase in the exchange business, which could be already lightly noticed lately, in which all 3 Branches of the Armed Forces will be equally represented.

RKK
[two signatures illegible]

To the Central Administration RKK, Berlin.

TRANSLATION OF DOCUMENT ECR-182

Amsterdam, 29 Nov. 1941

From RKK to Central Admin. of RKK, Berlin C III
Subject: *Occupation Costs.*

Occupation costs for Oct. 1941	85,9 Mill hfl.
Non-occupation costs for Oct. 1941	17,5 Mill hfl.
Total	103,4 Mill hfl.

Civilian Administration [Reichskommissar] used 3,1 Mill hfl.

The amt. in excess of 100 Mill hfl. (3,4 Mill hfl) was taken from the 53 Mill hfl reserve, formed through refunds of earlier non-occupation costs by the Reich.

Among the non-occupation costs here is an item, previously not known to us, "paid out money orders", which includes the money order payments of all 3 components of the Wehrmacht, as follows.

Feb. 1941	4,6 Mill hfl.
March	2,1 Mill hfl.
April	2,7 Mill hfl.
May	2,5 Mill hfl.
June	2,3 Mill hfl.
July	2,9 Mill hfl.
Aug.	4,0 Mill hfl.
Sept.	4,9 Mill hfl.
Oct.	5,4 Mill hfl.
	31,4 Mill hfl.

Amounts until Jan. 1941 had been refunded by the "Reichspost." About the following month negotiations are taking place now between the OKW and the Reichspost. The Reichskommissar (Postpresident Dr. Linnemayer) is corresponding in this matter but a decision has not yet been made. The great difference in the amts. of Feb. and March are due to strong shipments of troops at this time. The rising tendency, beginning April is due to the lifting of the foreign currency restriction [Devisengrenze].

RKK
/S/ Kose /S/ [illegible]

TRANSLATION OF DOCUMENT ECR-183

Amsterdam, Jan. 6, 42

RKK

[Stamp]
Centr. Admin. RKK
Jan. 8th 1942
File number 604/42

Subject: *Occupation Costs.*

Occupation costs for the month of Nov. 41 Fl	73,5 Mill.
Non-occupation costs for the month of Nov. 41 Fl	13,5 Mill.
Total gulden	87,0 Mill.

The claim on the credit provided for Civil Administration amounted to 5,6 Mill guilders.

The requests for airport installations have decreased. Orders for building were filled in the main part. Contrary to that, orders from the navy for shipyards were still increased lately and require a great part of the occupation costs.

In our report of Nov. 29th 41, we mentioned that a discussion about refunds for paid out Field-Post-Office-deposits was held, no decisions have been made, as the participant did not agree.

RKK
(s) Keye (s) [illegible]

To the Central Administration RKK, in Berlin C III.

TRANSLATION OF DOCUMENT ECR-184

Amsterdam, 30 Jan. 1942

Reichskreditkasse
Subject: Occupation Costs.

The occupation costs for Dec. 1941 amounted to	62,8 Mill guil.
The non-occupation costs	25,6 Mill guil.
Total in guilders	88,4 Mill guil.

A credit of 3,2 Mill guilders for the civil administration [Reichskommisar] was demanded in December 1941.

The amount spent for total occupation costs per December was about the same as the amount for November. On 28 Oct. 41 we informed you that the amount will increase and gave as reason the expected arrival of 4 Divisions which were supposed to move from Russia to Holland. Preparations for their arrival are still kept up, the divisions, however, have not yet arrived.

7.7 million guilders have been payed by the WBN to the German Service Postoffice [Dienstpost] Netherlands for services rendered by this office to the Armed Forces. This payment was made for the period of the start of the occupation until Dec. 1941.

The negotiations between OKW and the Reichspost concerning the refund for "paid field post money orders" are not concluded so far. The amount increased in the meantime to 36 Mill guilders.

Reichskreditkasse
[signatures illegible]

To the Central Administration of the RKK, in Berlin C III.

TRANSLATION OF DOCUMENT ECR-185

RKK Amsterdam, Feb. 27th 42

[Stamp]

Central Admin. RKK
March 2nd 1942
File number 4236/42

Subject: *Occupation Costs.*

Occupation costs for the month of June	42 guilders 84,1 Mill.
Non-occupation costs for the month of June	42 guilders 26,9 Mill.
Total guilders	111,0 Mill.

Credit for Civil Admin. [Reichskommissar] was used to the extent of 2,6 Mill. Guilders in January 1942.

The increase compared with the previous month of a total of 22,6 Mill. includes 21,3 Mill. for purely occupation costs. Another strong item included is the coastline fortifications of the Navy. This will not be all; we heard that as soon as the warmer weather period sets in, big inland fortifications will be built.

RKK
[two signatures illegible]

To the Central Administration RKK, in Berlin C III.

TRANSLATION OF DOCUMENT ECR-186

Reichskreditkasse Amsterdam, 28 March 1942

Central Administration of the RKK
1st April 1942 1st mail
File no 6148/42

Subj. *Occupation costs*

For the month of February 1942 occupation costs amount to hfl	54,7 Mill.
Non-occupation costs amount to	21,3 Mill.
Hfl	76,0 Mill.

Credit of 0,3 Mill guilders was claimed for the Civil Administration [Reichskommissar] for February 1942. But this credit claim again rose to 2,3 Mill Gulden during first half of March.

A final decision was made by OKW regarding the "paid out" Army Postal Money Order which, until now, were entered under non-occupation costs and about which we sent a report on 29 Nov. 41. According to this decision, paid out Army Postal Money Orders will be considered occupation costs in the future.

The amount of 48 Mill guilders accumulated to the present time will be transferred to occupation costs probably in March. The equivalent received by the Reichspost will probably have been posted as Reichs income.

It cannot be foreseen yet how sizeable the started fortifications will be. Alarm activities were observed at the office of the WBN yesterday which we caused by the more severe pressure by the English upon the Dutch coast. Isolated shock troops operations were observed, last towards Hoek van Holland.

Reichskreditkasse
/s/ Koze /s/ [illegible]

To the Central Administration of the RKK, in Berlin C III.

TRANSLATION OF DOCUMENT ECR–187

Reichskreditkasse

Amsterdam, 30 April 1942
Central Admin. of the RKK
4th May 1942 1st Mail
File No 8876/42

Subject: Occupation costs.

For March 1942 occupation costs amount to hfl	64,285 Mill.
Non-occupation costs amount to hfl	17,212 Mill.
Total guilders	81,497 Mill.

Credit claimed for Civilian Administration [Reichskommissar] amounted to 5,9 Mill. Gulden for March 1942.

Construction of fortification is in full operation especially along the coast which is undertaken by the Todt organization in connection with a fortress-engineers staff. Several regions along the coast near Scheveningen are off limits. From the distance we notice ground movement near Scheveningen. An amount of 150 Mill. guilders is provided for the completion of construction at the present time which is paid in installments by the WBN and the Organization Todt. The final balancing of accounts will follow later and only then will they become a part of occupation costs.

The Dutch coast areas have been divided into three alternate defense lines. Den Haag is located in one of them. OKW therefore decided that the WBN headquarters could not remain in den Haag any longer and moved them to Hilversum a few days ago where the undersigned (at the left side) reported yesterday. The office of the Reichskommissar and its numerous offices, on the other hand, will remain in den Haag for the present. There will not be any changes in Amsterdam which is not situated in the first danger zone. But measures for a defense are being set up here also. Military specialists of the WBN do not consider it possible that the enemy will land larger forces in Holland. Parachute or Airborne troops are expected, though, which they expect to finish off within a few hours.

Up to the present only one decision [sic] arrived in Holland from the East, which came about 2 weeks ago.

Reichskreditkasse
/s/ Koze /s/ [illegible]

To the Central Administration of the RKK in Berlin C III.

TRANSLATION OF DOCUMENT ECR-188

Reichskreditkasse Amsterdam, 13 July 1942
Central Administration of the RKK
15th July 1942
File No V 182/42

Subj: *Occupation costs.*

CONFIDENTIAL

Occupation cost for April 1942 amount to hfl	62,891 Mill.
Non-occupation cost for April 1942 amount to hfl	16,481 Mill.
Total guilders	79,372 Mill.
For May 1942 occupation costs amount to hfl	81,389 Mill.
Non-occupation costs amount to hfl	22,255 Mill.
Total guilders	103,644 Mill.

Credit of 3,0 Mill. Gulden was claimed for the civil administration [Reichskommissar] in May 1942 and 3,2 Mill. Gulden in June 1942.

Occupation costs have a tendency to rise. They will further increase in the coming summer months because of the numerous fortifications and the payments of the Todt-Organization. A further increase in occupation troops is expected also. Doubts regarding the admissibility of information about occupation costs were mentioned at the WBN a few weeks ago. But we were successful in dispersing them by pointing out the special tasks of the RKK and the partly military composition of the Administration Council as well as the fact that the Central Administration also knows the figures of all other occupied countries. Therefore we shall receive again the statements regularly in the future. But the undersigned (to the left) told the WBN today *that these statements are not to be made public and that they are not to be made known to the Dutch.* Because of this we shall mail occupation costs as "confidential matter" in the future and under special cover according to special information No. 4/42.

Reichskreditkasse
/s/ Koze /s/ [illegible]

TRANSLATION OF DOCUMENT ECR-189

Journal numbers of the Cent. Adm. V 205/42
Reichskreditkasse Amsterdam, 13 Aug. 1942

CONFIDENTIAL

Subject: *Occupation Costs.*

CONFIDENTIAL

The occupation costs for the month of June 1942 amount to hfl	83,862 Mill.
The non-occupation costs for the month of June 1942 amount to hfl	26,977 Mill.
Total guilders	110,839 Mill.

A credit of 3,2 Mill. guilders for the civil administration [Reichskommissar] was demanded in June 1942.

The occupation costs continue to rise. The expenditures were mainly made for fortifications constructions, construction for the shipbuilding Deputy, and also caused by the increase of occupation troops.

Reichskreditkasse
[two signatures illegible]

To the Central Administration of the RKK in Berlin C III.

TRANSLATION OF DOCUMENT ECR-190

Reichskreditkasse Amsterdam, 31 Aug. 1942
Subject: *Occupation Costs.*

CONFIDENTIAL

The occupation costs for July 1942 amount to hfl	89,564 Mill.
The non-occupation costs for July 1942 amount to hfl	23,481 Mill.
Total guilders	113,045 Mill.

A credit of 5,9 Mill. guilders for the civil administration [Reichskommissar] was used in July 1942.

The occupation costs increased slightly also in this month. The expenditures again were mainly made for construction of fortifications, construction for the Shipbuilding Deputy, and for the Air Force.

Reichskreditkasse
/s/ [illegible]

To the Central Administration of the RKK in Berlin C III.

TRANSLATION OF DOCUMENT ECR-191

Reichskreditkasse Amsterdam, 30 Sept. 1942
Subject: *Occupation Costs.*

CONFIDENTIAL

The occupation costs for August 1942 amount to hfl	92,629 Mill.
The non-occupation costs for August 1942 amount to hfl	14,916 Mill.
Total guilders	107,545 Mill.

A credit of 3,0 Mill. guilders for the civil administration [Reichskommissar] was demanded in Aug. 1942.

The pure occupation costs increased further during this month. The funds were mainly used for the development of the coast fortifications and for the navy.

Reichskreditkasse
/s/ [illegible]

To the Central Administration of the
Reichskreditkassen, in Berlin C III.

TRANSLATION OF DOCUMENT ECR-192

Reichskreditkasse Amsterdam, 6 Nov. 1942
Subject: *Occupation Costs.*

CONFIDENTIAL

The occupation costs for September 1942 amount to hfl	93,672 Mill.
The non-occupation costs for September 1942 amount to hfl	16,330 Mill.
Total hfl	110,002 Mill.

A credit of only 100,000 hfl for the civil administration [Reichskommissar] was demanded in Sept., however 5,8 Mill guilders were asked for in Oct.

The occupation costs continued to rise as in the previous months. Coastal fortifications, the evacuation of large parts of population and the demolition of many houses required large funds. Amounts in excess of the fixed monthly sum of 100 Mill guilders were taken from a reserve fund so far, which will be soon used up though. We have to figure therefore with imminent increase of the occupation costs, the extent of which is not known yet.

Reichskreditkasse
/s/ [illegible]

To the Central Administration of the RKK,
in Berlin C III.

TRANSLATION OF DOCUMENT ECR-193

Reichskreditkasse Amsterdam, 7 Dec. 1942
Subject: *Occupation Costs.*

CONFIDENTIAL

The occupation costs for Oct. 1942 amount to hfl	82,202 Mill.
The non-occupation costs for Oct. 1942 amount to hfl	15,976 Mill.
Total hfl	98,176 Mill.

A credit of 5,8 Mill. guilders for the civil administration [Reichskommissar] was demanded in Oct. 1942, as stated in our report of 6.2.42.

Chief paymaster Deyrer relieved the former Paymaster Boester of the WBN office, who was transferred to Berlin as Chief Inspector of the food market of the occupied territories.

Reichskreditkasse
/s/ [illegible]

To the Central Administration, Berlin C III.

TRANSLATION OF DOCUMENT ECR-194

The Commissar at the Bank of Netherlands,
Amsterdam Amsterdam, May 27th 41
Central Admin. RKK
May 30th 1941 II Post
KN B. 1187/41 File No. 8499/41
Scho./DV.

Enclosed I transmit the report of my activity for the month of April 1941 for your information.

Per signature

To the Central Admin. RKK, Brussels

ECR–194

Summary II/36 Amsterdam, May 28, 1941

Stamp
Centr. Admin.
RKK
May 30th 1941
File No. 8495/41

Report of services rendered by the Netherlands for the German Reich in the field of money *and credit during the first year of occupation.*

The services rendered by the Netherlands during the first year of occupation consist of two groups. The first group includes services originating in direct occupation costs, with no equivalent German service in return. These are:

1. the Armed Forces credit (reported as guilders credit on 27th inst.).
2. Credit for the Civilian Administration.
3. Taking up of RKK certificates.

As it was impossible to estimate in advance the exact amount of *occupation costs,* the Netherland State was required to place an unlimited credit at the disposal of the Chief Paymaster of the Military Command in the Netherlands, as shown in our report of the 27th, until June to 1195 Mill guilders, which had not been fully used as mentioned before.

Concerning the credit for *Civilian Administration* the amount was reported with * * * Mill Gulden as of May 7th 41.

On the same date a total of 98.9 Mill Gulden RKK notes had been accepted for exchange to the debit of the "Staatskasse."

Besides those current occupation costs the State of Holland was required to pay an additional amount of 500 Mill RM as Contribution for external occupation costs. Herefrom 100 Mill RM had to be paid in gold and 400 Mill RM were transferred from the account of the Clearing Inst. at the German Reichnungskasse to the German "Hauptkasse." Therefore the Netherlands during their 1st year of occupation delivered a total of 1.4 Billion Guilders—apps. 1.8 Billion RM for direct occupation costs.

The second group of services consists of payments indirectly connected with the occupation. They are significant for the fact, that although in Germany payments were made, the Netherlands government had to advance the guilders at least to the main part, until the end of the war. To satisfy the Dutch exporters, the Netherlands government was required to advance the clearing claims, unless equalized by German shipments. The advance of credit as of April 30th 41 amounted to 218 Mill guilders.

Furthermore, the Bank of the Netherlands currently accepted inner German currency (German bills, coins) with the total as of 15 May 1941, 305.4 Mill Guilders.

It was agreed between the Bank of the Netherlands and the German Reichsbank, to invest the RM deposits in Reichs-treasury certificates free of interest. Until the 15th of May 41, the German Reichsbank purchased 231 Mill RM for the Bank of the Netherlands. This results in a substantial help to the German War financing.

It also has to be mentioned that the Minister of Finances made a 12 year credit of RM 100 Mill. available to the Trede Administration (Geh.Rat Kreutter-Tredefina) out of the clearing deposits.

In addition the Bank of the Netherlands surrendered, based on the foreign currency call-up, a total of almost 100 Mill RM in Goldbars and coins as well as foreign means of payment to the German Reichsbank.

RKK
[signature illegible]

To the Central Admin., RKK, Brussels

TRANSLATION OF DOCUMENT ECR-195

Reichskreditkasse Amsterdam, 21, April 1942

Subject: Dutch East Help
Central Administration of the Reichskreditkasse
23 April 1942, 1.Mail
File No. 7778/42

At the instigation of Reichskommissar Dr. Seyss-Inquart, the Netherlands will make a voluntary contribution to the war against Bolshevism, of a monthly amount of 50 Mill guilders of which 10 Mill Guilders will always be paid in gold. These payments will be retroactive to 1st July 1941. 400 Mill of the 500 Mill guilders already due for the past 10 months have been paid through debiting the RM account of the Dutch Bank with the Reichsbank in

Berlin, while transfer of 100 Mill gold in bars and coins from Rotterdam to Berlin is being prepared at present.

This deals with an additional payment which does not disturb the current occupation costs.

Reichsbankdirektor Treue is in charge of the matter in Berlin.

On this occasion we report furthermore that the Dutch Banking Law has been changed in so far as gold coverage at 40% has been discontinued. Assets at foreign banks, particularly the very high RM assets, checks, bills of exchange, and treasury bills payable in foreign countries now serve as coverage thus the note circulation can be increased further.

Reichskreditkasse
/s/ Koze /s/ [illegible]

To the Central Administration of the Reichskreditkasse,
in Berlin C III.

PARTIAL TRANSLATION OF DOCUMENT ECR–196

Report of the Commissar of the Netherlands Bank,
dated 9 May 1941

"The new President of the Netherlands Bank, Mr. Rost van Tonningen, is, in contrast to a large part of the leadership, penetrated in his movements and his official acts by the greater German thought, and convinced of the necessity of the creation of a greater European economic space. This ideological attitude in itself gives him the correct position of financial and monetary policy questions for his country in relation to the greater German economic space. Furthermore it makes easier cooperation with my office, a fact which deserves special mention in consideration of the frequently observed passive conduct of the Netherlands agencies before the entrance into office of the new President. I consider as a fortunate solution the fact that the Reichskommissar for the Occupied Dutch Areas has also entrusted Mr. Rost van Tonningen with the treasury of the Ministry of Finance [Schatzamt des Finanzministeriums]. Mr. Rost van Tonningen took over this office at the end of the month of April. Thus there is a guarantee that the financial and monetary policy of the country will be conducted according to unified points of view."

CIRCULARS OF THE REICH ECONOMICS MINISTER

Concerning Foreign Exchange

Issued in Berlin on 31 March, in the evening

RESTRICTED

V Dov 6/8490/41

To:

a. The Oberfinanzpraesidenten (Devisenstellen)
b. The Devisenstelle Vienna.
c. Alle Reichsstellen.

29/41/D.St.

Circular No 13/41/R.St. of 31 March 1941

Subject: Netherlands VI 6: Lifting of the foreign exchange limitations applying to the occupied Netherlands Area.

To restore free payments traffic with the occupied Netherlands areas I specify the following, cancelling the circular orders listed in Appendix I:

I. Lifting of the foreign exchange limitations

1. The limitations and prohibitions of the German foreign exchange law go out of effect as of 1 April 1941 in trade between the Reich area and the Occupied Netherlands Areas, apart from the exceptions listed under Paras IV and V of this Circular. Persons who have their residence, usual dwelling place, legal residence or place of business in the Reich Area (internal persons under foreign exchange Law, No. 5, para. 1) from this time on are subject in trade with the occupied Netherlands Areas only to the foreign exchange limitations applying to internal trade. Persons who have their residence, usual dwelling place, legal residence or place of business in the occupied Netherlands areas, are no longer considered as foreigners in the sense of No. 5, para. 2 of the Foreign Exchange Law; they are no longer subject to the limitations and prohibitions under German foreign exchange regulations which apply to foreigners.

2. "Free Reichsmark deposits" and "free currency deposits" (Ri II 1 to 3) of persons resident in the occupied Netherlands areas on 31 March 1941, continue for the present to exist as such.

3. Securities issued by debtors in the occupied Netherlands Areas are no longer considered under the foreign exchange regulations as foreign securities; such securities are equivalent under foreign exchange law to the internal securities treated in No. 25, Foreign Exchange Law, as a result of the disappearance of the foreign exchange restrictions between the Reich Area and the Oc-

cupied Netherlands Areas. Excepted are the certificates issued in the Occupied Netherlands Areas on the basis of foreign securities or certificates of debt, which continue to be considered as foreign securities. The limitations on disposition and procurement of German External Bonds [Auslandsbonds] which have been issued in the Occupied Netherlands Areas, under No. 24, Foreign Exchange Law, no longer apply thereto, insofar as trade between internal persons and in trade with the occupied Netherlands Areas is concerned. The securities mentioned in sentences 1 and 3 of this paragraph are no longer subject to the requirements of reporting and surrender.

4. Means of payment and claims reading in Gulden are equal under foreign exchange law to internal means of payment and claims in internal currency; therefore they too no longer are subject to the requirements of reporting and surrender.

5. In exporting goods to the occupied Netherlands areas a report with an Export Foreign Exchange Declaration [Exportvalutaerklaerung] is no longer necessary.

II. Future Payments traffic with the Occupied Netherlands Areas

1. On 31 March 1941 the clearing traffic between the German Reich and the Occupied Netherlands Areas ends. The clearing accounts at the German Verrechnungskasse and the Netherlands Clearing Institute will only be carried on for payments traffic between the occupied Netherlands Areas and third countries. As a result of the disappearance of the foreign exchange restrictions payments to the occupied Netherlands Areas no longer require a license under foreign exchange law from 1 April 1941 on. Payments for all types of purposes may be made to the Occupied Netherlands areas. However, internal debtors, before repayment or amortization of obligations arising out of capital traffic, had best request their creditors in what form they desire payment (by repayment to the Occupied Netherlands Areas or by payment within the German Reich), in consideration of the special Netherlands tax regulations.

* * * * * * *

(Interest payments no longer to Konversionskasse, but may be paid directly; law regarding "Abwertungsgewinne" of 23 December 1936 (RGBl I p. 1126) remains in effect for debtors).

* * * * * * *

Furthermore, foreign exchange license is no longer necessary for capital investments in the occupied Netherlands Areas. Capital investments whose purchase price amounts to more than 100,000 Gulden, however, require a permit from the Reichskommissar, according to the Order of the Reichskommissar for the Occupied Netherlands Areas of 24 March 1941, on the Sale of Enterprises and Factories to Foreigners (Official Gazette for the Occupied Dutch Territory, Issue 12, Number 58).

2. The payments to the Occupied Netherlands Areas may be made in all usual payment ways, for example, through bank transfers, bank clearing systems, payments through the Post Office, etc.

3. Furthermore, from 1 April 1941 the export and import of means of payment of all types and all amounts, therefore particularly Reichsmark and Gulden means of payment, no longer is subject to foreign exchange law restrictions in trade with the occupied Netherlands Areas.

4. Insofar as payments are made to enemies (in the sense of No. 3 of the Order on the Treatment of Enemy Property of 15 January 1940 (RGBl I p. 191) resident in the Occupied Netherlands Areas, the Exceptional Permit required under No. 5, para 2 of the Order of 15 January 1940 is considered as generally granted.

III. Netherlands Foreign Exchange Law

Persons who have their residence or usual dwelling place, legal residence, or place of business in the occupied Netherlands areas, are subject to the Netherlands Foreign Exchange Law (Order of the General Secretaries on the Foreign Exchange Control (Foreign Exchange Law of 26 March 1941)). The limitation and prohibitions of Netherlands foreign exchange law, however, according to the Order of the Reich Commissar for the Occupied Netherlands Areas, of 31 March 1941, do not apply to traffic between the Occupied Netherlands Areas and the German Reich, including the Protectorate of Bohemia and Moravia and the areas in which the German Foreign Exchange Law and Regulations issued thereunder are in force. According to the above Order, furthermore, natural and juridical persons resident in the German Reich including the Protectorate of Bohemia and Moravia, and Areas in which the German Foreign Exchange Law and Regulations issued thereunder are in force are no longer foreigners in the sense of the Netherlands Foreign Exchange Law. Thus free payments traffic exists for payments from the Occupied Netherlands Areas to the German Reich.

IV. Treatment of blocked values of foreigners

The withdrawal of the foreign exchange limitations in trade between the German Reich and the Occupied Netherlands Areas leaves unaffected the limitations and prohibitions to which the capital values of foreigners in the German Reich and in the Occupied Netherlands Areas are subject under German or Netherlands Foreign Exchange Law. Thus the following results for the treatment of capital values of the type specified:

1. Insofar as according to the directives and circulars in force the disposition over internal capital values by foreigners is freely permissible within the country, the free permission remains limited to the interior of the country. Permits to transfer the capital values to the occupied Netherlands Areas, or for investment thereof in Netherlands capital values are in principle not to be granted.

2. Directives and circulars, according to which foreigners may dispose of internal capital values within the country without permits, are not applied to Netherlands capital values owned by foreigners. Permits for valorization of capital values of the type named within the country are to be denied.

V. German-Dutch Agreement on the German Credit Agreement of 1940 and Tradefina Agreement

1. Numbers I and II do not apply for the debtor relationships falling under the German-Dutch Agreement on the German Credit Agreement of 1940. The permission of the German Reichsbank continues to be necessary for each payment and disposition.

2. Numbers I and II, furthermore, do not apply to Tradefina credits, for whose coverage a permit continues to be required under RE 233/35 D.St./103/35 Ue.St.

per
signed. Dr. Landwehr

TRANSLATION OF DOCUMENT L–3

CONTENTS OF HITLER'S TALK TO THE SUPREME COMMANDER AND COMMANDING GENERALS, OBERSALZBERG, 22–8–39

Decision to attack Poland in the spring. Originally it was feared that due to political combinations, England, Russia, France, and Poland had to be fought against simultaneously. Even this risk would have had to be borne. Goering has stated that the Four Year Plan had failed and that we were at the end if we were not victorious in the coming year.

Since Autumn, 1938, and since, I have found out that Japan does not go with us without conditions, and that Mussolini is menaced by the weak-headed king and the treacherous scoundrel of a Crown Prince. I have decided to go with Stalin. On the whole, there are only three great statesmen in the world: Stalin, myself, and Mussolini. Mussolini, the weakest, has not been able to break either the power of the crown or of the church. Stalin and I are the only ones that see only the future. So I shall shake hands with Stalin within a few weeks on the common German-Russian border and undertake with him a new distribution of the world.

Our strength is in our quickness and our brutality. Ghengis Khan had millions of women and children killed by his own will and with a gay heart. History sees only in him a great state builder. What weak Western European civilization thinks about me does not matter. I have given the order and will have every one shot, who utters even one word of criticism that the aim of the war is not to attain certain lines, but consists in the physical destruction of the opponent. Thus for the time being I have sent to the East only my "Death's Head Units" with the order to kill without pity or mercy all men, women, and children of Polish race or language. Only in such a way will we win the vital space that we need. Who still talks nowadays of the extermination of the Armenians?

Colonel General [Generaloberst] von Brauchitsch has promised me to bring the war against Poland to a conclusion within a few weeks. If he would have told me that it would take me two years or even one year only, I would not have issued the order to march and would have temporarily entered into an alliance with England instead of Russia. For we cannot conduct a long war. In any case, a new situation has now been created. I have witnessed the miserable worms Daladier and Chamberlain in Munich. They will be too cowardly to attack. They will not go any further than blockade. Against it we have our autarchy and the Russian raw materials. Poland will be depopulated and colonized with Germans. My pact with Poland was only meant to stall for time. And besides, gentlemen, in Russia will happen just what I have practiced with Poland. After Stalin's death (he is seriously ill), we shall crush the Soviet Union.

The small countries do not frighten me. After Kemal's death, Turkey will be ruled by morons and half-idiots. Carol of Rumania is a thoroughly corrupted slave of his sexual desires. The King of Belgium and the Northern kings are weak puppets, depending on the good digestion of their over-fed and tired peoples.

We must take into account the defection of Japan. I have left to Japan a whole year's time to decide. The Emperor is the companion piece of the late Czars. Weak, cowardly, irresolute, he may fall before a revolution. My association with Japan was never popular. We will furthermore cause unrest in the Far East and Arabia. Let us think of ourselves as masters and consider these people at best as lacquered half-monkeys, who need to feel the knout.

The occasion is favorable now as it has never been. I have only one fear and that is that Chamberlain or such another dirty swine comes to me with propositions or a change of mind. He will be thrown downstairs. And even if I must personally kick him in the belly before the eyes of all the photographers.

No, for this it is too late. The invasion and the extermination of Poland begins on Saturday morning. I will have a few companies in Polish uniform attack in Upper Silesia or in the Protectorate. Whether the world believes it doesn't mean a damn to me. The world believes only in success.

Glory and honor are beckoning to you, gentlemen, as they never did for centuries. Be hard. Be without mercy. Act quicker and more brutally than the others. The citizens of Western Europe must quiver in horror. That is the most human warfare for it scares them off.

The new warfare corresponds to the new border status. A wall from Reval, Lublin, Kaschau to the Danube Estuary. The Russians get the rest. Ribbentrop has received instructions to make any offer and to accept any demand. In the West, I reserve the right to ascertain the line strategically best. Here, there will be something to do with Holland, Belgium, French Lorraine as protectorate areas.

And now, on to the enemy! In Warsaw, we will celebrate our meeting again.

The speech was listened to enthusiastically. Goering jumped on the table. Bloodthirsty thanks and bloody promises. He danced around like a savage. The few doubtful ones remained silent.

During the meal, Hitler stated that he must operate this year, as he would not be living long. His successor would not be able to do so; furthermore, the situation would be desperate in two years at the latest.

PARTIAL TRANSLATION OF DOCUMENT L-5

Copy of Certified Copy

The Military Commander South East
III No. 133/44 Secret

St. Qu. den 3 September 1944

CONFIDENTIAL

ORDER

Authorized by order dated 21.8.1944 and in agreement with the Executive SS and Police Officer, [Hoeheren SS and Polizeifuehrer] I order that all criminal offences committed by non-German civilians within the occupied South Eastern territory, Greece, Albania, Montenegro, and Serbia are not to be dealt with by the military courts but by the S.D. Prosecutions now pending and accused persons now under arrest are to be transferred to the nearest Security Police office; sentences are no longer to be carried out with the exception of death penalties already valid. Detained persons within the South Eastern territory are to be transferred to the Security Police together with the executive orders [Vollstreckungspapieren].

signed Felber
General of Infantry

[Stamp]

A true copy:
signed: Schmidt
Heeresjustizeberinspekter

Further Text:

(1) Endorsement of above order.

(2) Reply by Military Court Crete: No SD Offices available on Crete. Transfer to continent not possible. What action should be taken?

TRANSLATION OF DOCUMENT L-18

State Secret

The SS & Police Leader
in the District of Galicia

June 30th 1943

Ref. 42/43 g.R.-Ch/Fr

2 Copies
1st copy

Re: Solution of Jewish Question in Galicia
Concerning: Enclose Report
Enclosure: 1 Report (executed in triplicate)
1 bound Copy

L-18

To:

The Superior SS and Police Leader East SS Obergruppenfuehrer
and General of Police Krueger or deputy
Cracow

Enclosed I am submitting the 1st copy of the Final Report on the Solution of the Jewish Question in the District of Galicia for your information.

[Signed] KATZMANN
SS Gruppenfuehrer and Lt. Gen. of Police

SOLUTION OF THE JEWISH PROBLEM IN THE DISTRICT OF GALICIA

Owing to the term "Galician Jew," Galicia probably was the spot on earth which was best known and most frequently mentioned in connection with Jewry. Here they lived in immense multitudes, forming a world of their own, out of which the rising generations of world-Jewry were supplied. In all parts of Galicia one found Jews in their hundreds of thousands.

According to obsolete statistics of 1931 the number of Jews then was about 502,000. This number should not have decreased from 1931 up to the summer of 1941. Precise statements on the number of Jews present at the time when the German troops invaded Galicia are not available. By the Committees of Jews the number was stated to have been 350,000 at the end of 1941. That this statement was incorrect will be seen from the statement at the end of this report with regard to the evacuation of Jews. The town of Lemberg alone had about 160,000 Jewish inhabitants in July-August 1941.

The influence of this Galician Jewry, being considerable already under Austrian and Polish rule, increased to an almost incredible extent when the Soviets occupied this district in 1939.

Every important appointment within the country was filled by them. This explains the fact that in July 1941, after the occupation by German troops, Jews were found everywhere. Hence it was considered to be also our most urgent task to find a solution for this problem as soon as possible.

Our first measure consisted of marking every Jew by a white armlet bearing the Star of David in blue. By virtue of a decree of the Governor General the Department of the Interior was responsible for the marking and registrating of Jews as well as for the formation of Committees of Jews. Our task, that of the Police, was first of all to counter effectively the immense black market carried on by Jews throughout the entire district and especially to take measures against loafing idlers and vagabonds.

The best remedy consisted of the formation, by the SS and Police Leader of Forced Labor Camps. The best opportunities for labor were offered by the necessity to complete the "Dg.4" road which was extremely important and necessary for the whole of the southern part of the front, and which was in a catastrophically bad condition. On October 15, 1941, the establishment of camps along the road was commenced, and despite considerable difficulties there existed, after a few weeks, only seven camps containing 4,000 Jews.

Soon more camps followed these first ones, so that after a very short time the completion of 15 camps of this kind could be reported to the Superior Leader of SS and Police. In the course of time about 20,000 Jewish labourers passed through these camps. Despite the hardly imaginable difficulties occurring at this work I can report today that about 160 km of the road are completed. [Photographs omitted].

*   *   *   *   *   *   *

At the same time all other Jews fit for work were registered and distributed for useful work by the labor agencies. When the Jews were marked by the Star of David as well as when they were registered by the labor agencies, the first symptoms appeared of their attempts to dodge the orders of the authorities. The measures which were introduced thereupon, led to thousands of arrests. It became more and more apparent that the Civil Administration was not in a position to solve the Jewish problem in an approximately satisfactory manner. When, for instance, the Municipal Administration in Lwow had no success in their attempts to house the Jews within a close district which would be inhabited only by Jews, this question too was solved quickly by the SS and Police Leader through his subordinate officials. This measure became the more urgent as in winter 1941 big centres of spotted fever were noted in many parts of the town whereby not only the native population was endangered but also, and to a greater extent, the troops themselves, those stationed there as well as those passing through. During this removal of the Jews into a certain quarter of the town several sluices were erected at which all the work-shy and a social Jewish rabble were caught, during the screening and treated in a special way.

The owing to the peculiar fact that almost 90% of artisans working in Galicia were Jews, the task to be solved could be fulfilled only step by step, since an immediate evacuation would not have served the interest of war economy. With regard to those Jews, however, who had a place in the labor process, no real effect could be found of their work. They used their job mostly only as a means to an end, namely in order first to dodge the intensified measures against Jewry and secondly to be able to carry on their black market activities without interference. Only by continuous police interference was it possible to prevent of these activities. After it had been found in more and more cases that Jews had succeeded in making themselves indispensable to their employers by providing them with goods in scarce supply etc., it was considered necessary to introduce really draconic measures. Unfortunately it had to be stated that the Germans employed in the district, especially so-called "Operational Firms" or the "ill-famed Trustees" carried on the most extravagant black market activities with Jews. Cases were discovered where Jews, in order to acquire any certificate of labor, not only renounced all wages, but even paid money themselves. Moreover, the "organizing" of Jews for the benefit of their "employers" grew to so catastrophical extents that it was deemed necessary to interfere in the most energetic manner for the benefit of the German name.

Since the Administration was not in a position and showed itself too weak to master this chaos, the SS and Police Leader simply took over the entire disposition of labor for Jews. The Jewish Labor Agencies which were manned by hundreds of Jews, were dissolved. All certificates of labor given by firms or administrative offices were declared invalid, and the cards given to the Jews by the Labor Agencies were revalidated by the Police Offices by stamping them.

In the course of this action again thousands of Jews were caught who were in possession of forged certificates or who had obtained surreptitiously certificates of labor by all kinds of pretexts. These Jews also were exposed to special treatment.

Army administration offices in particular had countenanced Jewish parasitism by giving special certificates to an uncontrollable extent.

Of the great number of certificates caught, only three will be enclosed; you will be able to conclude what methods were used with the intention to sabotage the measures of the SS.

1.

CERTIFICATE

ALSTER Benjamin (Recte Hasten)
born 3.6.1905 at Takinow
is employed by the Army Accommodation Administration, Lwow, as a foreman for urgent work.

Members of his family are ALSTER Hasten, Githa, Mother.
Valid until July 31st 1942
Extended until August 31st 1942

Lowo, 22.6.42
Army Billet Office
Signature
[Stamp]

The persons mentioned above are registered. They are to be exempted from evacuation.

2.

The Jewess ATLAS Rosa
Keeps house for the "A" Jew No. 20 008
employed by H.K.P. 547
whose identity card has been stamped by the SS and Police Leader. She is registered, and it is requested to leave her in Lwow.

Lwow, 10.8.1942
Army Car Park 547
Signature,
[Stamp.]

3.

Army Building Office Lwow.

CERTIFICATE
For Family Members of Jews in Employment

The Jewess HIRSCHFELD Mina
born 1894, resident in Lwow, 2 Sonnen street, is the wife of the Jew provided with an employment Certificate by virtue of decree of 12.3.1942 HIRSCHFELD Oscar (No. 4181)

Valid until July 31st 1942
Signature
[Stamp.]

Lwow, July 1st 1942

There were cases when arrested Jews were in possession of 10 to 20 of such certificates.

Where Jews were arrested in the course of these check-ups most of their employers thought it necessary to intervene in favor of the Jews. This often happened in a manner which had to be called deeply shameful.

An especially exaggerated example is the action of a certain

Schmalz, a wholesale butcher working for the Army in Lwow, who sent from Berlin the following telegram to the Office of the SS and Police Leader:

> "Urgent
> SS Untersturmfuehrer Loehner
> c/o SS Police Leader Lwow
> District Office
>
> The two certificate holders are craftsmen watchmakers; are resident in my future factory as night watchmen and watchmakers in day time. I should not wish to be guilty of their death; after my return you can have them both, they do not run away. I beg of you
>
> Signature."

When steps were taken to investigate the actions of this butcher, it transpired that the fellow had carried on the most incredible black market business with the Jews. Schmalz was arrested and put at the disposal of the Public Prosecutor.

Despite all these measures concerning the employment of Jews their evacuation [Aussiedelung] from the district of Galicia was commenced in April 1942, and executed step by step.

When the Superior SS and Police Leader once again intervened in the solution of the Jewish problem by his Decree Concerning the Formation of Districts inhabited by Jews of 10.11.1942 already *254,989 Jews* had been evacuated [Ausgesiedelt], resp. resettled [umgesiedelt].

Since the Superior SS and Police Leader gave the further order to accelerate the complete evacuation [Aussiedelung] of the Jews, again considerable work was necessary to regulate the status of those Jews who, for the time being were permitted to be left in the armaments factories. The Jews in question were declared Labor Prisoners of the Superior SS and Police Leader and they were put into barracks, either within the factories or in camps established for this purpose. For the town of Lwow a Giant Camp was established at the borders of the town, in which at the time of writing 8,000 Jewish Labor Prisoners are confined. The agreement with the Army concerning the disposition and treatment of these Labor Prisoners was executed in writing. The decree which contained the measures now in force is attached herewith.

Lwow, October 23, 1942

The SS & Police Leader
in the District of Galicia
XIII-688/42 (g)
Re: Disposition of Jewish Labor
Your Ref: Letter of the Inspection
of Armaments of 21.9.42 and letter of Command
of Armaments of 19.10.42
To the Command of Armaments
Lwow

SECRET

The Inspector of Armaments in the GG. and the Superior SS & Police Leader East, Secretary of State for Security in the GG. have issued special orders and rules for the uniform treatment of the Jewish laborers used in the armament factories. Following a conference between the Officer commanding the armaments enterprises Lwow, and the SS and Police Leader in the District of Galicia the ensuing agreement was reached on 17.10.1942:

I. Housing.

On principle the Jewish laborers are to be put into barracks and when in camps are subjected to control by the SS and Police Leader Galicia and in this respect the police offices under his orders. Since the establishment of Police Camps has not yet been completed everywhere the work administrations for the time being have themselves to place the Jewish laborers into camps. In case it should be impossible for a factory to provide housing in a camp, the Jewish laborers employed there are to be housed in certain blocks of the Jewish Quarter still remaining. With regard to this housing the work administrations will communicate with the local offices of the Security Police. It has to be emphasized that under no circumstances the relatives of the Jewish laborers may be allowed to find accommodation within the same block. With regard to the Jewish laborers employed in factories situated in Lwow, a separate order will be issued. For the time being they will be housed together in the Jewish Housing District in the same manner. (This question will be regulated by the SS & Pol. L.).

II. Food.

Feeding of the Jewish laborers has to be provided by the factories. It will take place within the factory without exception. Besides a main meal, breakfast and supper will be provided. Full board will be provided also in case of illness. The factories will apply for provisions at, and receive them from, the GG., Principal Department, according to the rules issued by the Government. Feeding and agriculture department, Market Order IIIa 1a/100 18.8.42.

III. Clearing of Payments.

Commencing on 1 November 1942 the Jewish laborers will not receive any payment in cash. The factory administrations will pay to the SS and Pol. L. Galicia for each Jewish Laborer pro calendar day and shift 5 Zloty a man, 4 Zloty a woman. Salary tax and insurance contributions do not arise. From the above sums of 5, and 4 Zl. respectively, the expenses for feeding and the overhead expenses will be deducted. This amount to be deducted may not surpass Zl. 1.60 a day. The office of the SS & Pol. L. is entitled to examine accounts. The sums to be paid will be paid into the Account concerning payments of factories, maintained by the SS & Pol. L. Galicia at the Emission Bank in Lwow. Payment has to be completed the third of every month for the preceding month. For the purpose of proving the correctness, copies of the wage-lists for each day will be sent to the administration of the SS & Pol. L. Galicia, Lwow, Siegfriestreet 3.

IV. Clothing.

The Jewish laborers when sent to the camps will be permitted to take with them ample clothing, especially winter clothes. The local Police Offices have been especially informed of this order. With a view for supplementing and renewing, the factories may request supplementary clothing through the SS & Pol. L. but only for special reasons.

V. General Ruling.

The SS & Pol. L. Galicia and the Armament Command agree on the necessity of keeping the Jewish laborers fit for work, and that therefore appropriate housing, clothing, and medical care have to be provided. In case of difficulties, if any, the factory administrations are requested to agree with the local offices of the Security Police. The SS & Pol. L. Galicia and the Armaments Command, Lwow are to be informed in such cases. If difficulties should not be solved by such local discussions, application for a decision will have to be addressed without delay to the SS & Pol. L. of the District of Galicia.

Signed Hofmann
SS Brig. Leader and Gen. Maj. of Police

Distribution:

Schwarz and Co., Lwow
Textilia Lwow

Metrawat AG. branch Lwow
Training factories AW Lwow
Hobag-Holzbau AG branch Lwow
Barril Store factory in Bolechau
Furniture Factory in Bolechau
Carpathiaus Oil AG

For information to:

Commander of the Security Police and SD in the Galicia District Lwow, with copies to the foreign agencies.

Commander of the Order Police [Ordungspolizei] in the Galicia District Lwow with copies to the Military Police District Leaders.

SS. Ustuf Fichtuer in the Staff.
SS. Ustuf Loehnert in the Staff.
SS. Ustuf Hildebrand in the Staff.

In the meantime further evacuation [Aussiedelung] was executed with energy, so that with effect from 23 June 1943 all Jewish Residence Districts could be dissolved. Therewith I report that the District of Galicia, with the exception of those Jews living in the camps being under the control of the SS & Pol. Leader, is

Free from Jews

Jews still caught in small numbers are given special treatment by the competent detachments of Police and Gendarmerie.

Up to 27 June 1943 altogether 434.329 Jews have been evacuated [ausgesiedelt].

Camps for Jews are still in existence in:

Lwow
Weinbergen
Ostrow
Kurowice
Jaktorow
Lackie
Pluhow
Kosaki
Zborow
Jezierna
Tarnapol
Hluboczek
Borki-Wielki
Kamienki
Drohobycz
Boryslaw
Stryj
Belechow
Broschniow
Njebelow

containing altogether 21.156 Jews. This number is being reduced currently.

Together with the evacuated action, we executed the confiscation of Jewish property. Very high amounts were confiscated and paid over to the Special Staff "Reinhard". Apart from furniture and many textile goods, the following amounts were confiscated and turned over to Special Staff "Reinhard":

L-18

As per 30.6.1943:

25,580 kg	Copper Coins
53,190 kg	Nickel Coins
97,581 kg	Gold Coins
82,600 kg	Necklaces—Silver
6,640 kg	Necklaces—Gold
432,780 kg	Broken Silver
167,740 kg	Silver Coins
18,490 kg	Iron Coins
20,050 kg	Brass Coins
20,952 kg	Wedding Rings—Gold
22,740 kg	Pearls
11,730 kg	Dental Gold—Dentures
28,200 kg	Powder Boxes—Silver or Metal
44,655 kg	Broken Gold
482,900 kg	Cutlery—Silver
343,100 kg	Cigarette Boxes—Silver or Metal
20,880 kg	Rings, Gold with stones
39,917 kg	Brooches, Ear Rings etc.
18,020 kg	Silver rings
6,166 kg	Watches, all kinds
3,133 kg	Watches, Silver
3,425 kg	Wrist Watches—Silver
1,256 kg	Wrist Watches—Gold
2,892 kg	Watches—Gold
68 kg	Cameras
98	Binoculars
7	Stamp Collections—complete
5	Trunks filled with loose stamps
100,550 kg	3 bags with rings, not genuine
3,290 kg	1 box with corals
460 kg	1 chest with corals
280 kg	1 chest with corals
7,495 kg	1 box with fountain pens and propelling pencils
	1 basket with fountain pens and propelling pencils
	1 suitcase with fire tongs
	1 suitcase with pocket knives
	1 suitcase with watch-parts

Banknotes: Paper—Metal

261,589.75	USA—Dollars—Paper
	Gold Dollars: 3 a 5, 18 a 10, 28 a 20
2,515.75	Canadian Dollars

124	Argentine Pesos
18,766,64	Hungarian Pengoe
231,789	Roubles—Paper
	Gold Roubles: 1 a 7 ½,11 a 10, 29 a 5
4316	Rouble—Paper
513	French Francs
2.460	Swedish Francs
52	Austrian Ducats—Gold
	Austrian Crowns 36 a 10, 25 a 20 8 a 100
2,229,18,60	English Pounds
23	African Pounds
13,490	Roumanian Lei
25,671	Russian Cerwon
4,600,70	Czechoslovakian Crowns—Paper
185	Dutch Florins
5,277	Palastinian Pounds
9,300	Palastinian Mille
160	Lithuanian Oere
360	English Schillings
1	Irish Lst. Irish Pounds
1	Hungarian Pesos
2	Mexican Pesos
10	Norwegian Crowns
3,817,70	Slovakian Crowns
435	Karbowanez
16,795,000	Zloty

Following the "Fur-action" in December 1941 *35 Wagons of Furs* were handed over.

Earned Moneys from Forced Labor Camps and from W. and R. Factories

25.5.1943

1. *Forced Labor Camps*

a. Takings

Wages	11,511,606.98 Zl.	
Hidden money found in clothes	1,232,143.71 Zl.	
Proceeds from useless tools	807.93 Zl.	
		12,744,558.62 Zl.

b. *Outgoings* (Board for Prisoners)		
1. Food, Clothes, Medicine	3,108,866.62 Zl.	
2. Wages, Custody by Ukrainian Police	47,358.51 Zl.	
3. Camp-sustenance Repairs, Rents	118,063.15 Zl.	
4. Means of Conveyance		
Horses	1,448,863.57 Zl.	
Cars	83,324.14 Zl.	
Tools	3,037.10 Zl.	
5. Purchases of Furniture	2,410.15 Zl.	
Postage and Telephone	5,678.44 Zl.	
Office needs	29,005.59 Zl.	
6. Buildings	220,000.00 Zl.	
		5,066,607.27 Zl.
2. *W.&R. Factories Takings*	7,711,428.92 Zl.	7,711,428.92 Zl.
3. *Amount paid over to the SS Cashier*		
a. *Camps*	6,876,251.00 Zl.	
b. W.&R. Factories	6,556,513.69 Zl.	
		13,423,764.69 Zl.

Further payments to the SS-Cashier are effected every month.

Owing to the great number of Jews and the vast area to be combed out these actions were performed with the assistance of detachments from the Security Police, the Order Police, the Gendarmerie, the Special Service, and the Ukrainian Police, all acting together in numerous single sweeps. Page 19 of this report contains a map intended to show how Jews lived scattered throughout the whole of the District, until the special Jewish residence districts were established. The detachments continually were exposed to serious physical and mental strains. Again and again they had to overcome the nausea threatening them when they were compelled to enter the dirty and pestilential Jewish holes. During the searches there has been found, moreover, a number of leaflets in the Hebrew language, inciting the Jews to breed lice carrying spotted fever, in order to destroy the Police Force. In fact several phials filled with lice were confiscated. Nothing but catastrophical conditions were found in the Ghettoes of Rawa-Ruska and Rohatyn. The Jews of Rawa-Ruska, fearing the evacuation, had concealed those suffering from spotted fever in underground holes. When evacuation was to start the Police found that 3000 Jews suffering from spotted fever lay about in this Ghetto.

* * * * * * *

[MAP]

From this map one is able to see how the Jews lived scattered throughout the whole of the district, until the special Jewish Residence Districts were established. The large dots refer to localities of more than 1000 Jews, the smaller ones where less than 1000 Jews lived.

At once every Police Officer innoculated against spotted fever was called into action. Thus we succeeded to destroy this plague-boil, losing thereby only one officer. Almost the same conditions were found in Rohatyn. Moreover our detachments again and again discovered smaller or larger centres of pestilence in many towns and villages. Despite all our precautionary measures 120 officers fell ill of spotted fever, of whom only 18 died, owing to the protective measures introduced by us.

Some photos of these dirt caves may give an idea of the degree of effort which every officer had to apply to force himself to merely enter these centres of dirt. [Photographs omitted.]

On the occasion of these actions, many more difficulties occurred owing to the fact that the Jews tried every means in order to dodge evacuation [Aussiedelung]. Not only did they try to flee, but they concealed themselves in every imaginable corner, in pipes, chimneys, even in sewers, etc. They built barricades in passages of catacombs, in cellars enlarged to dugouts, in underground holes, in cunningly contrived hiding-places in attics and sheds, within furniture, etc.

The smaller the number of Jews remaining in the district, the harder their resistance. Arms of all kinds, among them those of Italian make, were used for defense. The Jews purchased these Italian arms from Italian soldiers stationed in the District for high sums in Zloty currency. The ensuing photos give a small selection from the arms confiscated. Especially dangerous were the sawed-off carbines of all kinds. [Photographs omitted.]

Underground bunkers were found with entrances concealed in a masterly manner opening some times into flats, some times into the open. In most cases the entrances had only so much width that just one person could crawl through it. The access was concealed in such a manner that it could not be found by persons not acquainted with the locality. Here nothing succeeded but the assistance of some Jews to whom anything whatever was promised in exchange. What these dug-outs looked like will be shown by the ensuing photographs together with their comments: [Photographs omitted.]

In the course of the evacuation action we furthermore discovered that the Jews attempted more than ever to escape to foreign countries. These attempts were made by Jews in possession of considerable amounts of money, jewels, and of forged papers. They tried every means to effect their purpose and often approached members of the German and allied Forces with the request to transport them to or beyond the frontier by way of military cars. They offered in exchange disproportionally high amounts, in many cases up to 5,000 Zl. and more a person. Although in a few cases members of foreign forces, especially Hungarians, came to an agreement with them and fulfilled their part, in by far the most cases the Security Police was informed in time by V-men so that the necessary countermeasures were applied, the Jews caught, and the valuables confiscated. By way of illustration some cases are described:

In September 1942 the office of the SS & Police Leader was informed by an Italian soldier (of German blood resident in Switzerland) that some Jews were concealed within the Italian barracks in Lwow, who were to be smuggled across the frontier by members of the Italian Forces within the next days. Shortly before they intended to start, two leaders in mufti entered the barracks and succeeded in arresting a group of seven persons and confiscating 3,200 gold dollars and a large amount of diamonds and jewels. They made the interesting discovery that already 970 gold dollars had been paid for bribing 4 members of the Italian Forces. This money was confiscated also. The Italian soldiers thereupon were sent home.

On 13 May 1943 two German Drivers of the Luftwaffe Headquarters in Cracow reported that a Jew had approached them with the request to transport about 20 to 30 Jews from the Jewish camp Lwow to Brody; some of them were in possession of arms; they would provide forged transport orders; directed to these military drivers. In exchange they offered 20,000 Zl. The drivers were ordered to accept the offers, to load the Jews on the Luftwaffe car the 15 May at 5 p.m., to start in the direction of Brody, but to turn the car as soon as it passed the office of NSKK Lwow which was situated at this street, and to drive into the court yard of this office. In fact the car, manned with 20 Jews and one Pole, arrived in this court yard at 5:30 p.m. The Jews, some of whom were armed with charged pistols and sawed-off carbines with the safety devices released, were overwhelmed by a waiting detachment and disarmed. The following arms were confiscated:

1. 1P. Beretta-pistol, Kal. pp
2. do.
9. further specifications.

The pistols, mentioned sub. 1. and 2. had been purchased by the Jews from members of the Italian Forces for 2,000 Zl. each. The names of the sellers could not be ascertained. After a diligent search, considerable valuables were found and confiscated. A diligent interrogation of the arrested Jews led to the discovery that a certain Jew by the name of Horowitz who was staying in the woods near Brody together with a larger group of Jews, used to organize such transports. As a result of this interrogation it was possible moreover to arrest those Jews who forged identity papers for fugitives. The Pole who was arrested at the same time, confessed to be a member of the Polish Resistance Movement "PPR". Furthermore he named the Jew Horowitz as the Chief Executive of the "PPR" in Lwow. The place of communication in the woods near Brody having been discovered by these interrogations, the whole of this wood area was surrounded and combed out by detachments of the Gendarmerie and of the Ukrainian Police, and two companies of the German Army on the same day. These forces met smaller forces of armed bandits who had established themselves in several furnished dug-outs and trenches dating from the Russian occupation. The bandits in all cases used their arms, but they all were overwhelmed and rendered harmless.

33 Jewish bandits were shot. Some sawed-off carbines and some quick-firing rifles and pistols of Russian make were confiscated. Polish game-keeper taking part in the combing-out action was shot dead by the bandits. During the arrests in Lwow, one SS-man was wounded by a shot into the left shank. The 2 German drivers were paid as recompense for their exemplary conduct 2,000 Zl. each. The forged marching-orders and transport orders found in possession of the Jews are reproduced below. [Transport order omitted.]

In the same way we succeeded on May 21, 1943 in destroying a Jewish gang who again were armed with 0.8 cal. pistols of Italian origin. (In the meantime all Italian soldiers left the district of Galicia.)

Only some days later, the 31 May, we succeeded again, during a new comb-out, in destroying 6 dug-outs of major size containing 139 Jewish bandits.

On June 2, 1943, again some Jews who attempted to escape to Hungary by means of a military car owned by the Hungarian Army, were arrested and, since they resisted, shot. Here again considerable values were confiscated. The Hungarian soldiers participating in the action were adequately rewarded.

The evacuation having been completed, nevertheless, still minor actions are necessary in order to track Jews in hiding and concealment. This is proved by the fact that every day some persons are caught in possession of forged identity cards and passes. Some forged identity cards, passes, marching orders, and leave passes are enclosed herewith. [Cards and photographs omitted.]

Since we received more and more alarming reports on the Jews becoming armed in an ever increasing manner, we started during the last fortnight in June 1943 an action throughout the whole of the district of Galicia with the intent to use strongest measures to destroy the Jewish gangsterdom. Special measures were found necessary during the action to dissolve the Ghetto in Lwow where the dug-outs mentioned above had been established. Here we had to act brutally from the beginning, in order to avoid losses on our side; we had to blow up or to burn down several houses. On this occasion the surprising fact arose that we were able to catch about 20,000 Jews instead of 12,000 Jews who had registered. We had to pull at least 3,000 Jewish corpses out of every kind of hiding places; they had committed suicide by taking poison.

Our own losses suffered in these actions:

Spotted Fever:	dead—1 man	fallen ill:	120 men
Shot by Jews:	dead—7 men	wounded:	12 men
Stabbed by Jews:	dead—1 man		

Lost by accident in evacuation action: dead: 2 men, wounded: 5 men.

Despite the extraordinary burden heaped upon every single SS-Police Officer during these actions, mood and spirit of the men were extraordinarily good and praiseworthy from the first to the last day.

Only thanks to the sense of duty of every single leader and man have we succeeded to get rid of this PLAGUE in so short a time.

PARTIAL COPY OF DOCUMENT L-22

Executive Office of the President
War Refuge Board
Washington, D. C.
Page 33.

German Extermination Camps—Auschwitz and Birkenau.

Careful estimate of the number of Jews gassed in Birkenau between April, 1942 and April, 1944 (according to countries of origin).

Poland (transported by truck)	approximately	300,000
Poland (transported by train)	approximately	600,000
Holland	approximately	100,000
Greece	approximately	45,000
France	approximately	150,000
Belgium	approximately	50,000
Germany	approximately	60,000
Yugoslavia, Italy and Norway	approximately	50,000
Lithuania	approximately	50,000
Bohemia, Moravia and Austria	approximately	30,000
Slovakia	approximately	30,000
Various camps for foreign Jews in Poland	approximately	300,000
	approximately	1,765,000

PARTIAL COPY OF DOCUMENT L-26

CONDITIONS IN OCCUPIED TERRITORIES

A Series of Reports Issued by the United Nations Information Organization.

(Formerly the Inter-Allied Information Committee) London, Pages 14, 16.

Greek Jews are in a special category. Many have been deported. Four-fifths of the Jewish population of Salonika are estimated to have been deported to Poland, many of them dying as a result of inhuman treatment.

The conditions under which the conscripts work vary according to where they are and who are their masters. Moreover, accurate information on this subject is scanty, but the following two examples give a fairly good picture.

Out of 400 Greeks conscripted to guard the Athens-Salonika railway ten froze to death within fifteen days. Their dependents received no compensation.

In a letter to his family a Greek conscript in Germany wrote on August 20, 1942: "Please send me money and clothes. We are working fourteen hours a day. Our salary is insufficient to buy food, even from the peoples' kitchens". A few days later the German authorities informed the family that this worker had suddenly disappeared.

* * * * * * *

According to the official statistics at the end of 1943, there were 380,000 Dutch workers in Germany and 40,000 in Belgium and Northern France.

These figures do not include those workers who have not returned for one reason or another, or those who have failed to come back from leave. They also do not include the 120,000 Jews who have been deported. Dr. Stothfang, one of Sauckel's closest collaborators, estimated the number of workers who have not returned from leave at 150,000.

The Germans have recently imposed a special regulation on Dutch workers in Germany for the purpose of putting an end to this "leave-vanishing" trick. As part of the routine, before a Dutch worker in the Reich can go home on leave, he has to submit, together with his application form, the names of two or more coworkers who will vouch for his return. If the worker fails to return, reprisals are taken against those who have stood surety. But even this unfair method has not succeeded in putting a stop to the practice or even in reducing the number of defaulters.

As a punishment for refusing to sign the pledge of loyalty, 4,000 students were sent to work in Germany. Efforts to conscript Dutch doctors for work in Germany failed as a result of the united stand which the whole medical profession took against such measures. Of the 120,000 Jews who were deported, tens of thousands are being employed in Labour Camps in the East.

PARTIAL TRANSLATION OF DOCUMENT L-31

COMMUNIQUE
of the
Polish-Soviet Extraordinary Commission for Investigating the Crimes Committed by the Germans in the Majdanek Extermination Camp in Lublin, Pages 21, 26.

"Last spring an incalculable number of corpses were exhumed and burnt in furnaces specially built for the purpose, evidently with the object of wiping out the traces of the crimes committed by Hitler's orders.

"These huge furnaces were built of bricks and iron and constituted a crematorium of a large capacity. Often the stench from the corpses reached the city, at least the east end of it, and consequently, even less informed people realized what was going on in that frightful place. * * *

"The fact that the activities of the 'Extermination Camp' were directed by the Hitler government is proved by the visit Himmler himself paid to the camp when he came to Lublin in the summer of 1943".

The Committee established the fact that in the crematorium alone over six hundred thousand bodies were burnt; on gigantic bonfires in the Krembecki Woods over three hundred thousand corpses were burnt; in the two old furnaces over eighty thousand corpses were burnt; on bonfires in the camp near the crematorium no less than four hundred thousand corpses were burnt.

With the object of covering up the traces of their crimes the Germans killed the attendants, prisoners in the camp, of the gas chamber and crematorium.

As a result of a thorough investigation of numerous affidavits by medical experts and material proof, the aforesaid Committee of Medical Experts under the chairmanship of Professor Szyling-Syngalewicz, Professor of Medical Jurisprudence at the Lublin Catholic University, found that:

"During the whole period of four years that the Lublin Majdanek Camp was in existence, a deliberate and consistent system operated for the premeditated, wholesale extermination of people, both prisoners in the camp as well as people especially brought there for the purpose of extermination."

* * * * * * *

The Polish-Soviet Extraordinary Commission finds that during the four years the Majdanek Extermination Camp was in existence the Hitlerite butchers, on the direct orders of their criminal government, exterminated by means of wholesale shooting and wholesale asphyxiation in gas chambers of about one million five hundred thousand persons—Soviet prisoners of war, prisoners of war of the former Polish army, and civilians of different nationalities, such as Poles, Frenchmen, Italians, Belgians, Netherlanders, Czechs, Serbs, Greeks, Croatians, and a vast number of Jews.

Freising, 2 August 1945

I, Edmund Trinkl, born 15.5.1891, high government official [Oberregierungsrat] in the RSHA Berlin and member of department I A 6 till about end of March 1944, declare herewith:

In October 1933 I was transferred as administration official into the Bavarian political police and when the Reichsfuehrer SS took over the Prussian Secret State Police [Gestapo] in April 1934 was taken by him to Berlin. As administration official in Berlin I had during the following years the following heads of departments as my superiors:

Dr. Bode
Dr. Best
Streckenbach
Schulz
Ehrlinger

On the basis of experiences I gained and the general orders and decrees respectively, I declare herewith:

1. All decisions of a principle character are signed by the Chief of the Security Police personally; a head of department has only the authority to sign for him and a member of department by order of him, if the subjects treated in the corresponding decrees fit into the general principles laid down in the organization plan. In case of doubt it was necessary to get the question cleared up by reporting it to the Chief of the Security Police and Security Service (S.D.).

2. All general and collective decrees which were issued by the RSHA were collected by specially designated offices. The office of the personal adjutant of the Chief of the Security Police and the Security Service (S.D.) received copies for information of the Chief. An order of this kind was laid down explicitly by the Chief of the Security Police and the Security Service (S.D.). This order, as far as I can remember, has not been revoked during my presence in the RSHA. If therefore a circular decree of the RSHA was issued by departments of the office, signed "for" or "by order of", it was done in accordance with the general, decreed or laid down regulations. SS Obergruppenfuehrer Kaltenbrunner had to be informed about it through the office of his adjutant.

3. If any decree of a head of department contained information of important or principle nature, it was his duty to inform the Chief of the Security Police beforehand or to let him know in due time. It is understood that the heads of departments had to inform the Chief of the Security Police and the Security Service

(SD) about all the facts they learnt through liaison officers with other chief offices or of important facts otherwise heard. If the head of Department IV had had information about the state of affairs in the concentration camps, it was his duty as official to report this matter to the Chief of the Security Police and the Security Service (S.D.) and, if necessary, to submit a report for the Reichsfuehrer.

[Signed] Edmund Trinkl

This declaration has been written down by my own hand on two pages at Freising, Germany, on the 2nd August 1945 at 11.30 hours. This has been done of my own free will.

I swear to God the Almighty that I will say nothing but the truth, that I will withhold nothing nor add anything.

[Signed]: Edmund Trinkl

Subscribed and sworn to before me at Freising, Germany, this 2nd day of August 1945.

[Signed]:
Lloyd M. Rausch
Capt. F.A.
Investigating Officer

Freising, August 2, 1945

I, Edmund Trinkl, was born May 15, 1891, at Offendorf, district of Riedenburg as son of the teacher Edmund and his wife Centa. Father is dead, mother about 76 years old. Married—no children—to Wanda Trinkl, nee von Brause, born 21.7.1882 at Raechen Castle, parish of Rausse.

For 6 years I went to the elementary school in Offendorf, then for 4 weeks to the Humanistische Gymnasium (corresponding roughly to High School, Latin and Greek are obligatory RW) and three years gardener's apprentice in Regensburg, one year (two terms) technical school for gardening at Koestritz Spa 1910/11, 1911/12 landscape gardener in Breslau, entered military service 22.10.1912, went into field August 2, 1914. Admitted on 1.12.1915, belatedly due to the war, to the career of a higher military administration official, later on my position and pay suffered by this. In the years after the war I studied 5 terms at the administration college. November 1918 at the time of the collapse and revolution in hospital Brussels, retreat to Germany. About 1.10.1913 Unteroffizier [corresponds roughly to rank of sergeant in American army], about 3.2.1917 deputy assistant official in supply services in the 5th Bavarian Inf. Div.; these were wound up at Nurnberg. Constant unrest, mob-gatherings and shootings here, therefore joined Free Corps Epp [Freikorps Epp], in Ohrdruf on the strength of a proclamation published in the newspaper by my former Battalion adjutant in the field, Captain Roehm. Arrived at Ohrdruf about the middle of April. The Free corps was about to march off to Ulm, respectively Munich. At first employed as supply officer in Ulm I was later sent on to Munich. Received a citation for this, wherein the recognition and thanks of the city of Munich was expressed for its liberation. Furthermore later on a document from the Legion [Reichskriegerbund], wherein thanks and appreciation of the Reich for my efforts were expressed. Served for some time in the supply service of the Free Corps, the later Schuetzenbrigade 21 and the Army area [Wehrkreis] Epp. Asked repeatedly for discharge from army as I was worried about my future career. This was refused as I was supposed to be part of the 100,000 men army, which however was not the case. When I learnt of this, the deputy of the staff officer I/C supplies finally granted me the discharge. On 16.9.1920 I was taken over by the Bavarian State Police Munich as Wachtmeister [Police Sgt.] into the administrative service, on 1.10 or 1.11 I became Hauptwachtmeister (M/Sgt), on 1.12.1920 secretary. Day of discharge from the army 30.11.20, later on it was extended to 31.3.34—day of discharge from the Bavarian State police. In the old army as well as in the Bavarian State police I was official with officer's rank (first lieutenant). Have authorization to wear uniform of a field inspector of the old army. My last appointment in the Bavarian State police was paymaster [Oberzahlmstr]. In the fall of 1923 I heard of a club, named "Reichsflagge" [Reich flag] under the leadership of Roehm. Accepting an invitation I was heartily welcomed by Roehm, and became a member. I did not receive a membership card since the Club changed its name and was disbanded. At a gathering in the Loewenbraeukeller [saloon] in Munich on 8 November 23 we were notified that a new government under Hitler had been proclaimed; Kahr, Lossow and Leiser interalia were members of the government. The meeting was broken up, and the Reichskriegsflagge [Reich war flag] as the new name was, marched under Roehm to the former Bavarian war ministry. At first I was standing there in the hallway, then left the building during the night, went home and went to work the next morning at the Bavarian State police. For this I later on received the decoration of the 8 and 9 November 1923, since members of the Wehrmacht and police need not have been old party members, need not even be members of the party at all.

The Reichskriegsflagge was not an affiliation of the party, its participation in the putsch was a complete surprise to me. Since state commissar Kahr and the chief of the Bavarian State police were on the list of ministers I had no hesitation in participating in the march to the war ministry. I had joined the Kriegsflagge from a feeling of comradeship and sympathy to Roehm and also because they carried the black white red flag which I wanted to maintain in memory of my comrades who died in the field. I didn't understand either why at that time the Reich changed its flag. Due to a housing shortage I built a house in Waldtrudering in 1924 when I got married. There began for me an intensive activity—outside my official work—in the interest of the community and the improvement of the settlement. Since most of the settlers did not have any means to pay for the expenses of road building, a public cooperative society was founded, of which I was honorary president. In the following years hundreds of unemployed found work and pay in the construction of about 23 km of roads and drainage installations. Unemployment was thereby helped. I became a member of the Bavarian Heimatschutz and various other associations. During these years I made the acquaintance of Himmler. I was elected a member of the community council of Trudering for the election period of 1930 and the following years. I was on the election list "Heimat" [home] which was neutral from the point of view of party politics. An opposition list was put up inter alia by the NSDAP under Himmler, however no candidate was elected: There were not enough votes. A plebiscite for the incorporation of Trudering into Munich and meetings of unemployed forced me, in my capacity of councillor, to speak in meetings of all tendencies including the Communist party and the NSDAP. Some months after the majority had decided on incorporation with Munich I resigned from the community council and moved to Munich. An anonymous letter, addressed to my office at Munich contributed to this decision. In this letter it was said that the people of Trudering were annoyed that I as official had cooperated with leftist parties, particularly the communist party. I continued to be member of the Bavarian Heimatschutz till it was dissolved by the NSDAP in April 1933. As of 1.5.1933 I became a member of the NSDAP, a few days later of the SA. Since I did not want to be tied to any party and intended to remain aloft of party politics, I applied for membership only in the beginning of May, at a time when no new members were accepted. I was accepted just the same, the application having been antedated. As administration expert I was detailed to the Bavarian political police from the 1.10.1933. When reporting to Heydrich in green police uniform my salute was criticized and it was intimated that I should in the future use the party salute. On 18.4.1934 I was detailed by Himmler to the Prussian Gestapo office in Berlin. Some weeks later I was compulsorily transferred into the SD [Security Service] with the antedated rank of an Untersturmfuehrer [SS second Lt.]; I did not apply for it. At the Gestapo I was at first head of a subdivision in charge of 4 branches: Budget—economics—payment and finance. Among others a councillor [Amtsrat] and a police councillor [Polizei Rat] were my subordinates. About April 1935 I was taken over as police inspector retroactively as of 1.4.34 and as police councillor (Polizei Rat) as of 1.7.34. During the reorganization in 1935 I was classified as administration manager [Verwaltungs Direktor]. Besides budget, economic and finance questions I had to work on the personnel files of the members of the office, with exception of the senior officials and the higher officials of the executive, also on the plan of coordination. When the main office of the Security police and the RSHA was established I thought to have the same duties there; however, this was not the case. Finally the post of the administration manager became unnecessary as the greatest part of his tasks devolved on other departments. I became representative for dept. I A 6 "Welfare" in the RSHA about April 1940. I was ill from end of March to July 1944. At that time this branch was dissolved too, welfare questions, including police welfare, were taken over by the welfare dept. of the race and settlement office [Rasse und Siedlungshauptamt, Amt Fuehrsorge]. The personnel files were turned over to dept. II and branch I A 1 in the RSHA. On 15.8.44 I was detailed to the race and settlement main office in Berlin, and there assigned to the evacuation welfare office Prague, where I was put in charge of the record office for war casualties. All losses of SS and police (dead etc.) were registered there. The welfare offices of the senior SS and police officers, as well as the main offices provided us with information which had to show personal data of the dead etc and their service records. Furthermore indications about the economic situation of the dependents, wives, children and parents, were required. It had to be checked accordingly, whether the amounts provided for their care were figured out correctly and all possibilities of welfare were exhausted. Death payments and payments of social security, as well as invalid and employee insurance, trade insurance, death, life and other private insurances etc. had to be considered. If the payments were not sufficient or special debts or expenses were incurred, special grants in aid were made. If a war injury claim was turned down, it was closely checked if the decision could be contested and finally the case was submitted for decision to the Ministry of Labor in cases where the welfare dept. of the office was not competent. Dependents in need of rest and recreation were sent for a cure to health resorts or Spas. Guardians of war orphans were supported by money and advice if so desired. By order of the chief of the race and settlement main office I left Prague on the 20.4.45, accompanied by SS members of various ranks, almost exclusively serious war casualties, women and children—the above mentioned casualty records and other material were taken along—in order to go to the fortress Koenigstein by boat. Duplicates of the party files of the welfare dept., which were kept according to the casualty records, and probably also files of the other depts. of the race and settlement main office which were located in Prague, were being kept there. Since the bridge at Aussig was damaged by airplane attacks we could only get to Bad Schreckenstein. After staying there a few days, the material was brought on land in bath cabins and finally destroyed on instruction of the convoy leader, in as much as it was of no use to the NSV, more precisely an engineer company was asked to attend to the destruction, since the Russians were expected to march in and we tried to flee to Germany, i.e. to American occupied territory; we reached it during the capitulation. Everybody now went his own way. I succeeded in reaching my mother in Germany; then I reported to the military government in Riedenburg.

I have to add the following concerning clubs, trade unions, economic societies which I have already mentioned:

By order of the Chief of the German Police, signed by General Daluege, I joined, about 1943, the Kameradschaftsbund [club of comrades] of police officials. I was member of the NSV from 1941 till about 1942; after the destruction of membership lists by air attacks, I did not pay any more dues.

From about 1908 to 1912 I was member of the Catholic apprentice society [Katholischer Gesellenverein] and the German national gardeners club. From 1919 member of the Bavarian state officials club [Bayrischer Beamtenbund],, later the society of administration officials of the Bavarian State police [Verein der Verwaltungsbeamten der bayr. Landespolizei] till its dissolution about June 43. Furthermore I was member of the German officers club [Deutcher Offizers Bund] resp. the club for military officials [Militaer und Feldbeamtenbund] and I was their representative at the Military Clubs Association [Bund der Waffenringe] till its dissolution which—as much as I remember—took place in 1926.

I also met in Berlin members of the Free Corps Epp, till this also was prohibited.

On the basis of the decree concerning comparative ranks, my last rank in Berlin was that of an SS Obersturmbannfuehrer. I was not paid by the SD office, however, I was on the SD roster. [Initialled E.T.]. My transfer to the RSHA came from the SS personnel office, although I was a Reich Civil Servant and wore the uniform of the Safety Police, which is similar to the SD uniform and although my pay and clothing allowances continued to be paid by the Reich. Although I was entitled to special treatment as a holder of decorations, in accordance with the orders of the Reichsfuehrer of the SS and Chief of the German police, I was not promoted in my office. As a director of administration I occupied a position in which civil servants of the Prussian Ministries as well as of the Central Reich Offices were automatically appointed Superior Government Counsellors [Oberregierungsrate]. In May 1927, retroactive to January 4, 1927, I was appointed a Government Counsellor [Regierungsrat] and in June 1940, retroactive to January 4, 1940 I was appointed Superior Government Counsellor [Oberregierungsrat]. Specialists in the Reich Ministries were Oberregierungsrate and Ministerialrate.

[Signed] Edmund Trinkl

This declaration has been written down by my own hand on six pages at Freising, Germany, on the 2nd August 1945 at 1600 hours. This has been done of my own free will.

[Signed] Edmund Trinkl

Subscribed and sworn to before me at Freising, Germany, this 4 day of August 1945.

[Signed]: Lloyd M. Rausch
Capt. FA
Investigating Officer

TRANSLATION OF DOCUMENT L–35

August 1, 1945

I, Oberst der Polizei [Col. of police] Dr. jur. Rudolf Mildner state as follows:

The people, arrested for punishable actions by the Gestapo and Criminal police in Germany as well as in the European countries occupied by German troops, were sent to concentration camps, in cases where they were not sent there by Reichsfuehrer SS Himmler, by the executive chief of office IV of the RSHA, SS Gruppenfuehrer Mueller [Lt. Gen.], acting as deputy for the Chief of the Sicherheitspolizei [Security Police] and S.D. [Sicherheitsdienst-Security Service] SS Obergruppenfuehrer [SS Lt. Gen.] Dr. Kaltenbrunner. These orders were signed by the Chief of the Sicherheitspolizei and Sicherheitsdienst, Dr. Kaltenbrunner or his deputy, the executive chief of office IV, SS Gruppenfuehrer Mueller.

Dissensions took place in certain cases or for certain reasons between the RSHA and the Chief of the concentration camps, SS Obergruppenfuehrer Pohl, the inspector of the concentration camps SS Gruppenfuehrer Gluocks, the executive chief of office D of the SS Wirtschaft und Verwaltungshauptamt [Head Office for Economy Administration].

From the RSHA, the executive chief of office V SS Gruppenfuehrer Neebe, the departmental chief of IV A 6 SS Obersturmbannfuehrer Dr. Berndorff and often SS Oberfuehrer Panzinger, deputy of the chief of office IV, took part in the discussions which were presided over by the chief of office IV, SS Gruppenfuehrer Mueller, acting as deputy for the Chief of the Sipo, Security Police and S.D., Dr. Kaltenbrunner.

SS Obergruppenfuehrer Dr. Kaltenbrunner personally attended the discussions with SS Obergruppenfuehrer Pohl, chief of the SS Wirtschafts und Verwaultungshauptamtes, Chief of concentrations camps.

Due to these discussions and through talks with the two chiefs of office, Gruppenfuehrer Mueller IV and Gruppenfuehrer Nebe RSHA V. the Chief of the Sipo and S.D., SS Obergruppenfuehrer Dr. Kaltenbrunner must have known the state of affairs in the concentration camps.

I learnt from SS Gruppenfuehrer Mueller, chief of office IV, that regular discussions between the RSHA and the SS Wirtschafts-Verwaltungshauptamt, office D, took place.

[signed] Mildner.

P. S. I also state the following: Gruppenfuehrer Mueller, chief of office IV, told me the above mentioned facts because in my capacity of Head of the State Police in Chemnitz and Katowice, Commander of the Sipo and S.D. in Denmark, inspector of the Sipo and S.D. in Kassel, departmental chief IV A 5 RSHA and commander of the Sipo in Vienna, positions which I held for a certain length of time, I had to have frequent talks with Gruppenfuehrer Mueller. [signed] Mildner.

The Commander of the Security Police Radom July 19, 1944
and of the Security Service (S.D.)
for the district of Radom SECRET STATES MATTER

The commander of the Security Police and of the Security Service
for the District of Radom
Foreign Service Office Tomaschow
Entry on May 22, 1944
Section IV Log. No. 21/44

IV Bc–5/44 gRs

To the Foreign Service Office
in the hands of SS-Captain Thiel—o.V.i.A.—
in Tomaschow

Subject: Collective responsibility of members of families of assassins and saboteurs.

Previous correspondence: None

The higher SS- and police Fuehrer Ost has issued on 28 June 1944 the following order:

"The security situation in the General Government has in the last months grown worse to such an extent, that from now on the most radical means and the harshest measures must prevail against the alien assassins and saboteurs. The Reichsfuehrer SS in agreement with the general government has ordered, that, in all cases of attack and attempted assassination against Germans, or where saboteurs have destroyed installations essential to life, that not only the seized perpetrators be shot but that all male kin also be executed and their female relatives over 16 years of age be put into Concentration camps. Strict presumption is hereby taken for granted, that if the perpetrator or the perpetrators are not seized, their names and addresses will be readily ascertained. Male kin may be considered to include, for example: the father, sons, (so far as they are over 16 years of age), brothers, brothers-in-law, cousins and uncles of the perpetrator. Against the women, proceedings must take place in the same manner. With this procedure it is intended, to insure a total liability of all male and female kin of the perpetrator. It furthermore affects to the utmost the family circle of the political criminal. This practice has shown for example already at the end of 1939 the best results in the new eastern territories especially in the Warthe district. As soon as this new method for combating assassins and saboteurs becomes known to these foreign people,—this may be achieved by oral propaganda [Mundpropaganda]—the female kin of members of the resistance movement or of bands will, as shown by experience, exert a curbing influence."

I hereby give notice of this and request in the pertinent cases (not previous ones) to locate and to arrest immediately, with the greatest possible speed the corresponding family members. I am then to be notified of the results and further instructions are to be awaited.

[signed] ILLMER
Temaschero, July 29, 1944
1. Confer in details with the section chiefs [Sachgebietsleitern]
2. Z.d.A. IV L F.K.
R

The commander of the Security Police
and the Security Service of the Radom District
IV L 21/44 gRs

TRANSLATION OF DOCUMENT L-38

Freising, August 1, 1945

I, Pister Hermann, SS Oberfuehrer [SS Brigadier General], born February 21, 1885, Commanding Officer of the Concentration Camp Buchenwald, from January 1942 to April 1945, testify as follows:

With exception of the mass delivery of prisoners from the concentration camps of the occupied territory all prisoners were sent to the concentration camp Buchenwald by order of the Main Security Office of the Reich Berlin. [Reichssicherheitshaupamt]

These orders for protective custody (red forms) were in most cases signed with the name "Kaltenbrunner". The few remaining protective custody orders were signed by "Foerster".

When the war conditions destroyed the contact between the Gestapo Offices and the Main Security Office the individual Gestapo Offices were authorized by the Main Security Office to send in prisoners independently and to have the protective custody orders signed by the executive officer of the command headquarters.

[signed]
Hermann Pister.

This statement has been written by me on 1 page in Freising, Germany, on the 1st of August at 10 a. m. voluntarily and without compulsion. I swear to God the Almighty, to say nothing but the truth, that I shall suppress nothing, and shall add nothing.

[signed]
Hermann Pister.

COPY OF COPY

Chief of Security Police and SD
No. IV—656/42 Secret

Berlin, 17 December 1942
SECRET
[Stamp]
[pencil note—Increased recruitment for concentration camps]

To be sent "Secret"

To all commanders of the Security Police and SD.
To all Inspectors of the Security Police and SD.
To all unit commanders of the Security Police and SD.
To all directors of State Police Headquarters.

For the information of: SS Lieutenant General Pohl Chief of the Main Office for Economics and Administration.
To all higher SS & Police Officials.
To all Inspectors of Concentration Camps.

For reasons essential to the war effort but which cannot be discussed here, Reichsfuehrer SS and Chief of the German Police has ordered as of the 14 December 1942 that until the end of January 1943 at least *35,000 inmates who are able to work are to be inducted into concentration camps.*

In order to reach this quota the following is necessary:

1. Effective immediately (provisionally until 1 November 1943) workers from the East and other foreign labor who are runaways or have broken their contract and are not members of Allied, friendly, or neutral countries are to be sent as quickly as possible to the nearest concentration camp whereby the necessary formalities as described in No. 3 are to be observed. In order to avoid and in any case adjust complaints it is essential in dealing with other agencies that in every case each one of the above directives is explained as an essential security measure of the police, whereby a reasonable explanation based upon the case at hand should be given.

2. The commanders and unit commanders of the Security Police and SD and the directors of the State Police Headquarters are to inspect immediately:

a. All areas of detention.

b. All workers' correction camps whereby especially strict and high standards should be set.

All inmates able to work are to be sent if it is physically and humanly at all possible according to directives cited below to the nearest concentration camps even where a ban suit has been or is to be brought against the individual. Only such inmates who in the interest of further investigation, are to remain without fail in solitary confinement, may remain.

Every Individual Laborer is Essential

This inspection is to be started immediately. To withhold any inmates capable of work is forbidden. Exceptions need my approval.

3. Inmates who are delivered to a concentration camp up to the 1 November 1943 are to be listed solely in rosters, reference to be made to this decree (serial number, first and family name, date and place of birth, domicile, reason for apprehension in catch words). One copy of this roster is to be sent to the Chief Office of Reich Security, and counts as a collection requisition for protective custody as well as for the transfer into a concentration camp; it can be assumed in advance that these requisitions will be granted.

For workers from the East, that is, those who carry the emblem "Ost" the indication of the number of arrestees is sufficient. One copy is to be sent with the shipment to the commanding officer of the concentration camp. A further copy is to remain with the agency from which the shipment originated.

In order to simplify procedure all rosters should only be written on one side and there should be sufficient space between each individual record of the inmate that names can be cut out.

The rosters are to be sent to the Chief Office or Reich Security Sect. IV C–2.

By order:
(signed) Mueller
(LS)
Certify:
[signed]: Helmuth
Chief Police Secretary
Certified copy:
[signed] Kolberg
Chancellery employee
Certified copy:
[signed]: Jahr
Chancellery employee

COPY

Berlin, 23 March 43

The Chief of the Security Police and the SD
IV C 2 General No. 656/42 Secret

SECRET

To:

a. All Commanders of the Security Police and the SD
b. All Inspectors of the Security Police and the SD
c. Unit Commanders of the Security Police and the SD
d. All Directors of State Police (district) offices

For information, to:

e. Chief of SS economics and Administration Main Office, SS Obergruppenfuehrer Pohl.
f. All higher ranking SS and Police officers.
g. SS Economics and Administration Main Office Section D,—Concentration Camps—at Oranienburg.
(with 30 copies for the Camps)

Subject: Increased transfer into the Concentration Camps.
Reference: My decree dated 17 Dec. 1942 IV 656/42 secret.

The measures ordered in the above-mentioned decree which were originally limited to a period ending 1 February, can be carried out until further notice—for the moment, however, only until 30 April 1943.

Care must, however, be taken, that only prisoners who are fit for work are transferred to concentration camps and adolescents only in accordance with the given directions; otherwise, the concentration camps would become overcrowded and this would impair the intended aim. With regard to any adolescents who have already been transferred who are not covered by the directions for the transfer into camps, (Reich Germans of over 18 years of age, Poles and workers from the East of 16 years of age) application for removal must be made without delay. These prisoners are to be restored to their former place of employment in cooperation with the employment office concerned, unless a request for institutionalization in a camp for juvenile delinquents seems necessary. In each case an action report is to be given.

Shipments of prisoners eligible for concentration camps are not necessary if the prisoners are already engaged in armament industry, or actually with war essential work or are occupied in the occupied territories of the East with urgent tasks, for the supply system of the eastern front. In case the removal of such labor forces would endanger the productivity of any plants or would even cause work stoppages or would hamper transport facilities of supplies for the Eastern front; individuals are to be put into concentration camps in order to safeguard the interests of the Wehrmacht.

Transfer is always to be made into the nearest concentration camp which is also a reception camp. The Herzogenbosch concentration camp is for prisoners from the Dutch area but it is only suitable to receive prisoners from that area, while the Sachsenhausen concentration camp which is quite full at the moment, is barred to all larger transports for the time being.

No prisoners can be transferred to the Niederhagen Concentration Camp (not a reception camp), while transfer to the Gross-Rosen concentration camp (also not a reception camp) can be undertaken only after direct inquiries have been made.

Female prisoners are to be sent either to the Ravensbrueck Concentration Camp for women, or to the sections for women in the Lublin or Auschwitz Concentration Camps. Members of the Eastern countries are to be sent preferably to the two last-named camps.

If these directives concern prisoners on whom special orders have been issued or which represent special problems, the sections concerned are to be informed with reference to this and the previous decree and if necessary they are to be asked for a decision, in advance or afterwards which ever the case may be.

Poles capable of Germanization and prisoners for whom special petitions have been made are not to be sent into concentration camps, but are to be disposed of according to the individual decision made or pending.

In order to avoid overcrowding of concentration camps short reports are to be submitted on the fifth of April and the fifth of May indicating: The number of prisoners sent in February 1943 and during the past months due to the above order. The number of Eastern workers contained in the above number who are still not—[words evidently missing]. Further facts are not necessary.

For workers from the East who according to the decree of 17 December 1942 are only to be reported by numbers; in no case—as has partly happened—are lists or forms to be submitted for them. Neither should protective custody file cards be sent.

This answers numerous individual questions, which were asked on this subject.

This decree is not for district or local police authority.

For and on behalf of:
(signed): Mueller
Certified copy
[sgd.] Kolberg
Chancellery employee
Witnessed:
[sgd.] Bleeck
Chancellery employee
[Rubber stamp: Security Police
Special Purpose Unit 1/II Chancellery 4]

PARTIAL TRANSLATION OF DOCUMENT L-43

Berlin, 2 May 1938

The Chief of the Organizational Staff in the General Staff of the Air Force.

No. 50/38 TOP SECRET

3 copies
copy No. 1

To the:
Chief of the General Staff of the Air Force.

In the following I submit the—

"Organizational Study 1950"

Purpose:

The task is to search, *within a framework of very broadly conceived conditions*, for the most suitable type of organization of the Air Force. The result gained is termed

"Distant Objective"

From this shall be deduced the goal to be reached in the second phase of the setting-up process in 1942; this will be called

"Final Objective 1942"

This in turn yields what is considered the most suitable proposal for the reorganization of the staffs of the Air Force Group Commands, Air Gaue, Air Divisions, etc. which is called

"Interim Solution as of 1 October 1938"

[signed] Kammhuber

Table of Contents

a. *Text:*

Section I. Assumptions
with it: Inclosure No. 1 (Map) [see Chart No. 10]
Section II. Consideration of the Principles of organization on the basis of the assumptions for war and peace made in section I.

Section III. Consideration of further questions.

Section IV. Conclusions drawn from the Study as to the "Distant Objective."
with it: Inclosure No. 2 (Distant Objective)

Section V. Conclusions drawn from the Study as to the organization of the Air Force according to the hitherto accepted final objective 1942.
with it: Inclosure No. 3 (Final Objective 1942)

Section VI. Conclusions drawn from the Study regarding the reorganization as of 1 October 1938.
with it: Inclosure No. 4 (Interim Solution as of 1 October 1938).

b. *Special Inclosures:*

Proposal for the setting-up of flight formations until 1942 (New Final Objective 1942)	Incl. No. 5
Proposal for dispersal of these formations	Incl. No. 6
Proposal for the setting-up of AA artillery until 1942 (New Final Objective 1942)	Incl. No. 7
Proposal for dispersal of these formations, including increase of mobilization	Incl. No. 8

The Chief of the Organizational Staff.

Berlin, 2 May 1938

No. 50/38 TOP SECRET

Organizational Study 1950

I. *Assumption.*

1. *Frontiers* of Germany, see Map, Inclosure No. 1. [see Chart No. 10]

2. *Organization of Air Force in peacetime:*

7 *Group Commands:* (1 Berlin, 2 Brunswick, 3 Munich, 4 Vienna, 5 Budapest, 6 Warsaw, 7 Koenigsberg).

1–3 flight corps are subordinated to each Group Command.

Each flight corps consists of 2 flight divisions, each of which comprises—

3 mixed combat Geschwader (2 combat groups, 1 dive bomber group).

1 heavy fighter Geschwader.

Total strength:

18 flight corps = 36 flight divisions =
108 mixed Geschwader
36 heavy fighter Geschwader } = 144 Geschwader
25 reconnaissance groups (F)

Minimum performance:
Range: 6–8,000 km
Speed: 5– 600 km

2–4 Air Gaue are subordinated to each Group Command. [Footnote: In the study 32 Air Gaue are assumed (without sea)]

The Air Gaue are Corps commands. They are in charge of:

1. Air defense (AA, light fighters).
2. The Air Gau signal units.
3. The ground organization.
4. Supply.
5. *Everything* pertaining to replacements (also for flying troops and schools).
6. The administration.
7. The civil aviation offices.

II. *Consideration of the principles of organization on the basis of the assumptions for war and peace made in section I:*

1. *Attack Forces:* Principal adversaries: England, France, and Russia.

a. *One front war, for instance against England.* If all 144 Geschwader are employed against England, they must be concentrated in the Western half of the Reich, that is, they must be *deployed* in such a way, that by making full use of their range they can reach *all* English territory down to the last corner and save themselves unnecessarily long flight routes. 144 Geschwader require 432 operational airfields. Concentration in *one* Air Force Group, for instance, in Air Force Group 2, which is closest to England, is therefore impossible. There must be a deployment in *depth,* which must be distributed over Air Force Groups 2, 1, and 3 at least.

Regardless of whether or not Germany respects neutrality, that is, whether or not planes fly to England via the German Bay, in any case the framework of *one* single Air Force Group will be split:—

1. Because it is impossible spacially, to accommodate so large an attack force in *one* Air Force Group.

2. Because it is *too much* for *one* Command to have to lead so large a number of formations (18 corps), even if it is given authority over all neighboring Airfield Regional Commands occupied by the attack force.

Hence it follows, that the *Supreme Commander of the Air Force himself* must take over the leadership of the attack. A further, and not the least important reason for this is that otherwise he would be eliminated, for all practical purposes, if he subordinated the entire attack force to a single Command.

It remains to be decided, whether he is to lead by giving direct orders to the *Flight Corps,* while the *Air Force Group Commands* would be responsible *only* for ground organization and supply, or whether the Group Commands are to be established as intermediate *authorities* also in regard to *operations.* The decision is determined—

a. By the numerical strength of the flight troops.

b. By their dependence on ground organization and supply.

Concerning a: What has been said above apropos a single Air Force Group with regard to numerical limitation, also applies to the *Supreme Commander of the Air Force* himself. As a rule *one* Command should not be in charge of more than 6 *larger tactical* units. Since in the example chosen 18 flight corps are presumed to exist, these cannot possibly be all under the direct command of the Supreme Commander of the Air Force; it is necessary to establish higher commands on an intermediate level. These are the *Air Force Group Commands; as the Air Force grows these automatically acquire an intermediate position as operational commands.*

Concerning b: Moreover, the dependence on ground organization and supply is an argument in favor of establishing the Air Force Group Commands as intermediate operational authorities, at *the same time* leaving them in *operational* charge of ground organization and supply in one form or another. Ground organization and supply are *elements of operational command* and *cannot be separated from the latter without disadvantage.* If, for instance, the Air Force Groups were established purely as operational commands for the purpose of dealing the attack forces, the Supreme Commander of the Air Force himself would have to take charge of ground organization and supply and *adjust them to the requirements of the troops.* In view of the assumed extent of the German Reich with its 18 Flight Corps and its 22 large Air Gaue, this task is too large for *one* central authority to be able to handle it. Since preparations for attack are to be made for several fronts and for several possible contingencies, *decentralization* by means of intermediate command authorities is indispensable. These intermediate authorities can only be those, which are *personally* interested in leading the attack, that is (they must be) command authorities, which are in charge of attack forces in *wartime* and which must also be in charge of the respective ground organization and supply. How necessary this line of authority is, is shown by the fact that not a single Air Command is willing to rely on the Air Gaue concerned to "make its bed" "by order" of the Supreme Commander of the Air Force, and that each demands to be put *in charge* of the Air Gau or Airfield Regional Command concerned (see the subordination of the Airfield Regional Commands near the Bavarian Ostmark under Air Force Group 1 in the event of "Case Green" and the applications by Air Force Group 3 to be put in charge of Air Gaue XII, Giessen, in the event of "Case Red"). The channel for "applications via the Supreme Commander of the Air Force" simply is too long, there are too many day-to-day frictions and punctures. He who leads the attack will and must not be deprived of control, regardless of whether or not his formations *on the ground* are properly supplied. *"Operational Command" does not start in the air, but on the ground, and preparation by the ground organization is part of the operation, just as much as the tactical preparation of the flight.*

* * * * * * *

Thus the above discussion leads to the result that the Air Force Group Commands must be commands in charge of the attack force and at the same time commands in charge of the ground organization and supplies for this force.

Furthermore, they must be locally bound, because this enables them to make the most of the advantage flying troops have over all other troops, that is, that they can push forward the preparations for war *already in peacetime* to such an extent that the highest degree of *preparedness for action* is achieved.

If it is assumed, as in the present study, that in peacetime the existing 18 Flight Corps are distributed over the whole Reich, while in war they operate, for instance, from the three Air Force Group Commands Nos. 2, 1 and 3 to fight against England, it immediately becomes clear that these 18 Corps Commanders cannot be let loose independently on these three Air Force Groups in order to make their preparations there in peacetime. Since the same preparations must be made on the *other fronts,* the Corps Commanders would be travelling most of the time, without there being any guarantee that their preparations are sufficient, since *they have no command authority in the deployment area* and cannot obtain such authority. Therefore they can only submit "requests" to the Supreme Commander of the Air Force; the fulfillment of these requests can hardly be handled, still less controlled, centrally.

The more the Reich grows in area and the more the Air Force grows in strength, the more *imperative* it becomes, to have locally bound commands which prepare the air way on their fronts according to the orders and instructions of the Supreme Commander of the Air Force, and which during the war have a responsible share in the leadership.

* * * * * * *

b. *War on several fronts, for instance, against France and Russia.* Assuming that the Supreme Commander of the Air Force intends to deliver the first blow against *France,* the 144 attack Geschwader will be deployed in Air Force Groups 3, 2, and 1, and the attack will be carried out as in a one-front war. The Air Force Groups 6 and 7 meanwhile make the last preparations in the way of ground organization, so that they can start with the attack as soon as the formations are transferred from the West.

This is a schematic procedure by which one adversary after the other is defeated by *concentrating* the attack on him. In this case operational mobility consists merely in a swift transfer from West to East, by which, however, it is by no means exploited to the full. Since the operational Air Force is presumed to have a range of 6–8,000 km (individual German aircraft have reached this even *today,* cf. world record of the Do 18), it can theoretically fly from its home-port to Paris today and to Moscow tomorrow. It can therefore without difficulty operate against the East from operational airfields selected for an attack on France *without changing airfields.* Since, however, Air Force Group Commands 1–3 are oriented towards France and are the ones most strongly tied down, they cannot at the same time lead an attack against the East, bypassing the Eastern Air Force Group Commands. In such cases the Supreme Commander of the Air Force takes *immediate* charge of the Flight Corps concerned and directs the attack against the East *himself.* Air Force Group Commands 1–3 merely take care of preparations on the ground. The formations start from the operational airports they have used hitherto, they fly for instance against Moscow, and return to the airports whence they started. When the action against the East is completed, they are put once more at the disposal of Air Force Groups 1–3 to continue their attacks against the West.

* * * * * * *

V. *Conclusions drawn from the Study as to the organization of the Air Force according to the hitherto accepted final objective 1942.* For this compare Inclosure No. 3 (final objective 1942).

1. *The following will exist in 1942* (without sea):

I. 3 Air Force Group Commands (Berlin, Brunswick, Munich).
   1 Air Force Command East Prussia.
   1 Air Force Command Austria.
II. 11 Air Gau Commands (Koenigsberg, Berlin, Dresden, Breslau, Hanover, Muenster, Wiesbaden, Nurnberg, Stuttgart, Munich, Vienna).
III. 18 Combat Geschwader.
   6 Dive bomber Geschwader.
   6 Heavy fighter Geschwader.

* * * * * * *

VI. *Conclusions drawn from the Study regarding the reorganization as of 1 October 1938.* For this compare Inclosure No. 4. (Interim Solution as of 1 October 1938.)

1. The following will exist on 1 October 1938 (sea excepted):

I. 3 Air Force Commands (Berlin, Brunswick, Munich).
   1 Air Force Command East Prussia.
   1 Air Force Command Austria.
II. 11 Air Gau Commands (Koenigsberg, Berlin, Dresden, Breslau, Hanover, Muenster, Wiesbaden, Nurnberg, Stuttgart, Munich, Vienna).
III. 12 Combat Geschwader
   3 Divebomber Geschwader
   3 Heavy fighter Geschwader (scheduled)
   } (including the new units to be set up at the end of the year)

2. It will not yet be possible to form *mixed combat Geschwader,* since the insufficient ranges of the divebombers will not permit this. *Nor,* will it be possible yet to form *flight divisions, composed* as assumed for the Final Solution, since the heavy fighter plane is only now in production.

3. In view of the small number of *defense forces* and certain *personnel* reasons, it does *not* as yet seem justified to establish the Air Gau Commands at once as Corps Command Staffs (Commanding Generals and Commanders of the Air Gaue).

Therefore only an *interim solution* can be chosen on 1 October 1938. This, however, must be of such a nature that the Final Solution is not obstructed, but *prepared* and enabled to *grow* out of it slowly and *organically.*

This results in the following *Proposal for the Interim Solution as of 1 October 1938:*

* * * * * * *

d. The establishment of the flying formations will be carried out according to program, *so far as their contents are concerned.* For organizational reasons it is urgently desired that the establishment period be *advanced* to the time from *1 Nov.* to *31 Dec. 1938, in order to achieve as soon as possible clear organizational and command relationships,* which are the basis of any fruitful work. The disadvantage this entails from the point of view of training can be eliminated by letting the flying and part of the technical personnel continue its training at the parent units and schools as long as is necessary, and by not transferring it to the new formations until the middle of December.

This will make it possible to start the next mobilization year already on 1 Jan. 1939, and thus to cut short the extremely unpleasant period from October to the start of the new mobilization plan, whose foundations will be completely changed in all decisive points as of 1 Oct. 38.

TRANSLATION OF DOCUMENT L-49

I, Otto Hofmann—SS Obergruppenfuehrer und General der Waffen SS und Polizei [Lt. Gen. of SS and police], up to now Hoeherer SS and Polizeifuehrer [higher SS and police leader] in Wehrkreis 5 declare herewith:

1. From 1941 to April 1943 I was chief of the main office for Race and Settlement questions. As such it was my duty to provide for the instruction (with respect to agriculture) of crippled members of the SS, so that these could be settled on farms in the occupied territories, including Poland. I was, therefore, as a rule, kept informed about all orders concerning resettlement in Poland.

2. The executive power, in other words the carrying out of all so-called resettlement actions, that is to say, sending away of Polish and Jewish settlers and those of non-German blood from a territory in Poland destined for Germanization, was in the hands of the Chief of the RSHA (Heydrich and later Kaltenbrunner, since the end of 1942). The Chief of the RSHA also supervised and issued orders to the so-called immigration center (EWZ) which classified the Germans, living abroad who returned to Germany and directed them to the individual farms, already freed. The latter was done in agreement with the chief office of the Reichsfuehrer SS.

3. I know these facts mentioned in paragraph 2 through the orders concerned as well as owing to the continuous contact between the two chief offices and various cases of friction. Ques-

tions of conflicts as to competence were mostly decided in favor of the chief of the RSHA (Heydrich later Kaltenbrunner). Reichsfuehrer Himmler had a decisive influence in all these questions.

[Signed]: Otto Hofmann

This declaration has been written down by my own hand on two pages at Freising, Germany, on the 4 August 1945 at 1400 hours. This has been done of my own free will.

I swear to God the Almighty that I will say nothing but the truth, that I will withhold nothing nor add anything.

[Signed]: Otto Hofmann

Subscribed and sworn to before me at Freising, Germany, this 4th day of August 1945.

[Signed]: Ernest H. Bloch
1st Lt. MI AUS
Investigating Officer

TRANSLATION OF DOCUMENT L-50

2 August 1945

I, Kurt Lindow, born 16 February, 1903 in Berlin, director of the Office for criminal affairs in the RSHA, declare herewith:

1. I worked since 1938 in the office of the Secret State Police [Gestapo], respectively in office IV of the RSHA and then in the years 1938, 1939 and beginning of 1940 in the department of preventive arrests in which the political prisoners who were in the concentration camps were registered; furthermore, I worked in 1940 and 1941 in group IV E (counterespionage), department IV E1 and 1942 and 1943 in department IV/A 1 (combatting of communism) and finally in 1944 in the department for education of office I (I B).

2. On the basis of general experience as well as of individual cases I can confirm that the Gestapo (office IV) wrote reports about practices of the administrative authorities in the concentration camps and that these were given by the chief of office IV to the Chief of the Security Police for signature and were submitted to the Reichsfuehrer Himmler.

3. The office chief IV has repeatedly attempted to get the attitude of the Gestapo in the judgment of individual cases to bear more weight, so much the more as the administrations of the concentration camps, respectively the chief office for economy and administration, office D is reported to have hardly considered the attitude or wishes of office IV in the last years. According to

information received by me such a report which also referred to the general undignified conditions in the camps was prepared by the chief of office IV for the Reichsfuehrer SS Himmler and was submitted a short time ago to the Chief of the Security Police Kaltenbrunner for signature. Kaltenbrunner is said to have repudiated this report, to have sent it on, however, signed with a marginal note to the Reichsfuehrer Himmler. In this note of the Chief of the Security Police—so I was told—he brought out that now even Mueller got apprehensions or became soft or something similar and that he, at any rate, did not share Mueller's opinions. The Reichsfuehrer Himmler returned then the report concerned to the chief of office IV with corresponding notation. As I was further told by criminal commissary Duchstein who worked in the ante chamber of the chief of office IV and who was arrested with me, the position of chief of office IV was weakened thereby for a certain time, so that even a contemplated promotion of Mueller to the rank of Obergruppenfuehrer was cancelled.

4. To my knowledge no chief of office or any of the officials of the RSHA, authorized to sign, had the right to sign, in any fundamental affairs of particular political significance, without consent of the Chief of the Security Police—not even during his temporary absence. From own experience I can furthermore declare that particularly the chief of office IV, Mueller, was very cautious in signing documents, concerning questions of general nature and in some cases of greater importance, and that he put aside events of such nature in most cases for the return of the Chief of the Security Police, whereby, alas, often much time was lost.

[Signed]: Kurt Lindow

This declaration has been written down by my own hand on three pages at Freising, Germany, on 3 August 1945 at 15–16.30 hours. This has been done of my own free will.

I swear to God the Almighty that I will say nothing but the truth, that I will withhold nothing nor add anything.

[Signed]: Kurt Lindow

Subscribed and sworn to before me at Freising, Germany, this 3rd day of August 1945.

[Signed]: Lloyd M. Rausch
Capt., FA
Investigating Officer

Before me, Capt. A. J. Hackl being authorized to administer oaths, personally appeared Adolf Zutter, former adjutant of Mauthausen, who, being by me first duly sworn in German, made and subscribed the following statement in his own handwriting:

My name is Adolf Zutter, born 10 February 1889. I was the adjutant at Mauthausen since June 1942 and I give the following statement:

Standartenfuehrer Ziereis, the commander of Camp Mauthausen, gave me a large number of orders of executions after opening the secret mail, because I was the adjutant and I had to deliver these to 1st Lt. [Obersturmfuehrer] Schulz. These orders of execution were written approximately in the following form:

Agency (Reich Security Main Office (RSHA)
Reich criminal Police Office) Berlin, ... (date)
To:
Commander of the Concentration Camp Mauthausen.
Subject: Executions
Reference: Your letter from (date) of ......, File No. ......
The prisoners, mentioned above
name: .... born.......... at............
are to be executed according to the sentence of the special court of justice [Sondergericht]—or tribunal of the people—[Volksgerich] (followed by locality).
A report that the order has been executed must be sent.
Signature

Orders for execution also came without the name of the court of justice. Until assassination of Heydrich, these orders were signed by him or by his competent deputy; later on, the orders were signed by Kaltenbrunner, but mostly they were signed by his deputy Maj. Gen. [Gruppenfuehrer] Mueller.

Dr. Ernst Kaltenbrunner who signed the above-mentioned orders, had the rank of SS-General [SS-Obergruppenfuehrer] and was the chief of Reich Security Main office [RSHA].

Dr. Kaltenbrunner is about 40 years old, height about 1,76 to 1,80 m, and has deep fencing scars in his face.

When Dr. Kaltenbrunner was only a Higher SS and Police Officer he visited the camp several times, later on as the chief of Reich Security Main Office [RSHA] he visited the camp too, though this occurred much more infrequently. During these visits the commander usually received him outside the building of the camp headquarters and reported concerning the American military mission, which landed behind the German front in the Slovakian or Hungarian area in January, 1945.

I remember, when these officers were brought to Camp Mauthausen—I suppose the number of the arrivals were about 12 to 15 men—they wore a uniform which was American or Canadian: brown-green color, shirt and cloth cap. Eight or ten days after their arrival the execution order came in by telegraph or teletype. Standartenfuehrer Ziereis came to me into my office and told me: Now Kaltenbrunner has given the permission for the execution. This letter was secret and had the signature: signed Kaltenbrunner. Then, these people were shot according to martial law and their belongings were given to me by 1st Sgt. [Oberscharfeuhrer] Niedermeyer. Spring 1945, the written order—based on an Army Manual—to destroy all files was received by the security officer in Mauthausen, SS first Lt. [Obersturmfuehrer] Reimer. This order was sent by SS 2nd Lt. [Understurmfuehrer] Meinhardt, security officer of the office D in Oranienburg. Reimer himself gave this order in written form to the various officers and supervised execution. Among the files were also all the execution orders.

[signed] Adolf Zutter

This declaration has been written down by me with my own handwriting on 3 pages, at Linz, Austria, Germany on 2 August 1945 at 1045 hours voluntarily and without duress.

I swear by God Almighty, that I will say nothing but the full truth, that I will not keep anything silent, and will not add anything.

Adolf Zutter
Police Prison, Linz

Subscribed and sworn to before me at Linz, Austria this second day of August 1945. I have a comprehensive knowledge of the German language.

A. J. HACKL, Capt. OD
Investigating officer

COPY

The contents of this Memorandum are for the personal attention of the Commanders-in-Chief, and of the Chief-of-Staff, OKW, only.

They are responsible for its secrecy.

Distribution:

1. C-in-C, Army, Col-Gen. von Brauchitsch.
2. C-in-C, Navy, Grand-Admiral Dr. (honoris causa) Raeder.
3. C-in-C, GAF, Gen-Fieldmarshal Goering.
4. C of S, OKW, Col-Gen. Keitel.

Berlin, 9 October 39

Memorandum and Directives for Conduct of the War in the West

The dissolution of the First German Reich as ratified by the Treaty of Muenster (1648) resulted in that arrangement of European States, known as the "balance of power," which made possible the formation of the French and, above all, the British Empire. The decisive factor of this state of affairs (also desired by England) was the disintegration of the mass of the German people combined with the prevention by treaty-terms of its later reunification into one uniform state. Every attempt to form the German people into such a new state was therefore considered upsetting to the European equilibrium and was attacked. Even the British friendship with Prussia, for what it was worth, cooled-off the moment the latter became conscious of its German mission and attempted to reconstruct a Prusso-German Reich. The far-sighted Bismarck and Moltke recognized the probability of again having to defend their newly formed Reich at a later stage against those interested in maintaining the European "balance of power," and the necessity of carrying this through. World War I, set in motion by a minor external event, was therefore supposed to divide the unity of the Reich again or to remove possible preconditions for a future greater unification. The present war of the Western Powers against the new Reich also serves the same ends. The aim of the Anglo-French conduct of war is to dissolve or disintegrate the 80-million state again so that in this manner the European equilibrium, in other words the balance of power, which serves their ends, may be restored. This battle therefore will have to be fought out by the German people one way or another. Nevertheless, the very great successes of the first month of war could serve, in the event of an immediate signing of peace, to strengthen the Reich psychologically and materially to such an extent that from the German viewpoint there would be no objection to ending the war immediately, so far as the present achievement with arms is not jeopardized by the peace treaty.

It is not the object of this memorandum to study the possibilities in this direction or even to take them into consideration. In this paper I shall confine myself exclusively to the other case: the necessity to continue the fight, the object of which, as already stressed, consists so far as the enemy is concerned in the dissolution or destruction of the German Reich. In opposition to this, the German war aim is the final military despatch of the West, that is, destruction of the power and ability of the Western Powers ever again to be able to oppose the state consolidation and further development of the German people in Europe.

As far as the outside world is concerned, however, this internal aim will have to undergo various propaganda adjustments, necessary from a psychological point of view. This does not alter the war aim. It is and remains the destruction of our Western enemies.

The German situation

The German people enter this battle with a population more than double that of the French, and almost equal to that of France and England together.

The military application of our people's strength has been carried through to such an extent that within a *short* time at any rate, it cannot be markedly improved upon by any manner of effort. Any increase in military power which is to be expected in the next few years will not be compensated by France, but by England, which is constantly growing stronger. France alone, on account of her weak call-up classes, is not in a position to undertake the setting up of new formations beyond a certain limit, unless she dispenses with all useful forms of replacements for incidental battle-casualties, which is improbable. England is able, within the next few months or years, to set up a comparatively large number of formations, whose value however will be more defensive than strategically operational.

Time

Time in this war, as in all historic processes, is in itself not a factor of intrinsic value, but one of which full account must be taken. In the present situation, under these conditions, time may be reckoned more probably as an ally of the Western Powers rather than of ours.

Reasons

The successes of the Polish campaign have made possible first of all a war on a single front, awaited for past decades without any hope of realization; that is to say, Germany is able to enter the fight in the West with all her might, leaving only a few covering troops.

The remaining European states are neutral either because they fear for their own fates, or lack interest in the conflict as such, or are interested in a certain outcome of the war, which prevents them from taking part at all or at any rate too soon.

The following is to be firmly borne in mind:

Russia

By no treaty or pact can a lasting neutrality of Soviet-Russia be insured with certainty. At present all reasons speak against Russia's departure from this state of neutrality. In 8 months, 1 year, or even several years this may be altered. The trifling significance of treaties of agreement has been proved on all sides in recent years. The greatest safeguard against any Russian attack lies in an obvious display of German superiority, viz: in a prompt demonstration of German strength.

Italy

As long as the Italian Government sees the future of Italy as a reproduction of a great imperial Roman Empire, its trend of politics will, in general, fit in with Germany's. For this imperial conception is only to be realized at the expense of France or England. The realization itself is probable only with the help of Germany, or is dependent on German success. Fascism is the bearer of this imperial idea, and in the front rank stands its creator, Benito Mussolini. A weakening of the Fascist influence in Italy, or even the death of the Duce, would lead to a strengthening of the influence of the Crown, and thus finally to the forsaking of these aims, inspired by the people, but dangerous and therefore distasteful to monarchies. As surely as Mussolini heads for a fight with the democracies and will take it on under generally favorable conditions, so non-Fascist Italy, and the Crown in particular, will turn aside from these and similarly dangerous ideas. They will at least not be prepared, ever to take any active steps in the matter themselves. At the most, and in the most favorable circumstances, they will wait, and let events pass by. For a trifling payment or reward however these powers will also be prepared, merely because of their own stupid short-sightedness, to sell the birthright of the Italians in the Mediterranean, and then fall in with the enemies of Germany. The hope of Italian support for Germany in its fateful battle is therefore dependent on the continuation of Fascist influence in that country, and therefore largely on the Duce's remaining alive. Time, here, can therefore under no circumstances be considered as an ally of Germany's. It can, in this case, at most, be a danger.

Belgium and Holland

Both countries are interested in preserving their neutrality but incapable of withstanding prolonged pressure from England and France. The preservation of their colonies, the maintenance of their trade, and thus the securing of their interior economy, even of their very life, depends wholly upon the will of England and France. Therefore, in their decisions, in their attitude, and in their actions, both countries are dependent upon the West, in the highest degree. If England and France promise themselves a successful result at the price of Belgian neutrality, they are at any time in a position to apply the necessary pressure. That is to say, without covering themselves with the odium of a breach of neutrality, they can compel Belgium and Holland to give up their neutrality. Therefore, in the matter of the preservation of Belgo-Dutch neutrality, time is not a factor which might promise a favorable development for Germany.

The Nordic States

Provided no completely unforeseen factors appear, their neutrality in the future is also to be assumed. The continuation of German trade with these countries appears possible even in a war of long duration.

The South-Eastern States

At the moment their neutrality appears very probable but cannot be prophesied for the future with absolute certainty. Not only psychological and propaganda influences, or general economic factors, but also financial personal bribery can lead to a change in the attitude of these states at any time.

America

The attempt of certain circles of the U. S. A. to lead the American Continent in a direction hostile to Germany, is definitely unsuccessful at the moment, but could still in the future lead to the desired result. Here, too, time is to be viewed as working against Germany.

Eastern Asia

Japan will definitely act according to her own interests. It will be her aim to make use of every weakening of the European states in Eastern Asia with the minimum expenditure of her own power. Here, too, time cannot be considered as an ally of Germany; only success will be.

The Dangers of the German Position

The first danger for Germany lies in the fact that in a war of long duration under certain circumstances, states may be drawn to the opposite side for reasons which may lie in their economic needs, or in the weakening of particular interests.

The second danger is that, through a war of long duration, states which in themselves might be inclined to take sides with Germany, might, in retrospect of the last war, think that they see a warning in the duration of the war itself, and therefore abstain from a positive course of action favorable to Germany.

The third danger, in a lengthier war, lies in the difficulty, owing to the limited food and raw material basis, of insuring the food supply of the people, and of finding the means for carrying on the war. The morale, at least of the people, will be affected by that.

The greatest, and most difficult danger lies in the following:

The essential factor for each victorious conduct of the war is to safeguard Ruhr production. Each serious stoppage in production in this area cannot be made good elsewhere. Sooner or later this must lead to the collapse of the German war-economy, and thus of the capacity to resist.

But the enemy knows this too.

The first danger to the Ruhr is that of stoppages caused by air attacks.

The possibilities of defense by day by means of AA and fighter-aircraft are still present in a high degree. The possibility of defense by night is a limited one even now. The possibility of defense by reprisal at present seems to be the safest. It must, however, be taken into account that in a war of long duration any belligerent who considers he has attained absolute supremacy in a certain arm of the service will use this supremacy regardless of reprisals thereby incurred. The longer this war lasts, the more difficult will be the preservation of German air-superiority. And of offensive air superiority in particular. As long as neutral Belgium and Holland remain as protective zones in front of the Ruhr, attack by aircraft is still somewhat difficult, bombardment by long-range artillery impossible. But, in the event of the cessation of Belgian-Dutch neutrality, the military boundary would be withdrawn to a distance which would bring at least the South-West Ruhr zone within the range of super-long-range guns, and Dusseldorf, even within the range, even of long-range batteries. From this moment the Ruhr, as an active factor of the German war-economy, would either drop out or at least be crippled. There is no means of replacing it.

As this weakness is recognized just as clearly by England and France as by ourselves, an Anglo-French conduct of war aiming at the utter destruction of Germany will strive to reach this goal at all costs. Indeed, the less hope England and France have of being able to destroy the German armed forces in a series of actual battles, the more both states will strive to create the conditions for an effective long drawn-out war of attrition and annihilation. But this condition requires the moving up of Anglo-French forces to the German frontier with a consequent termination of Belgian-Dutch neutrality.

The possible course of action

Under no circumstances are France and England compelled to violate the Belgian-Dutch frontier by attack, thereby attacking these countries. Their means of exerting pressure are, as already indicated, so vast and so forceful, that they will succeed at any time in causing both countries to give up their neutrality at any particular moment which seems suitable, or necessary to the English or French Governments.

As a motive for such a course of action in the eyes of the rest of the world (as far as that may be considered necessary at all), it is sufficient to portray the dangers of a German breach of neutrality and to make full propaganda value of that in order to cause Belgium and Holland to declare that they are threatened and to request Anglo-French assistance. And first of all, in such an event, Belgian forces will be transferred from the Belgian-French to the German-Belgian frontier; the defensive front, which would thus be gradually built up, could, without difficulty and in the shortest space of time, receive Anglo-French reinforcements which would cause any German counterattack which might be undertaken to fail. Then, within a few days, an extensive deployment of Anglo-French forces on the German-Belgian-Dutch frontier could take place thereby bringing the war near to the heart of our armaments industry.

The probabilty, indeed the certainty of such an Anglo-French decision is strengthened by the indisputable fact, that, from the opposite point of view, the possession of this area by Germany would be one of the few factors that would at all be of help to Germany in the event of a long war.

German Possibilities in the event of a long war

Germany's military means of waging a lengthier war are, as far as our main enemy is concerned, the Air Force and the U-boat arm.

The U-boat can, even today, if ruthlessly employed, be an extraordinary threat to England. The weaknesses of German U-boat warfare lie in the great distances to the scenes of action, in the extraordinary danger attached to these journeys and in the continuous threat to their home bases. That England has not, for the moment, laid the great minefield, as in the World War, between Norway and the Shetland Isles is possibly connected—provided the will to wage war exists at all—with a shortage of necessary barrage materials. But, if the war lasts long, an increasing difficulty to our U-boats must be reckoned with in the use of these only remaining inward and outward routes. The creation of U-boat strongpoints outside these constricted home bases would lead to an enormous increase in the striking-power of this arm.

The German Air Force

The GAF cannot succeed in efficient operations against the industrial center of England and her South and SW ports, which have increased in importance in wartime, until it is no longer compelled to operate offensively from our present small North sea coast, by extremely devious routes involving long flights. If the Dutch-Belgian area were to fall into the hands of the English and French, then the enemy air forces would be able to strike at the industrial heart of Germany and would need to cover barely a sixth of the distance required by the German bomber to reach really important targets. If we were in possession of Holland, Belgium, or even the Straits of Dover as jumping-off bases for German aircraft then, without a doubt, Great Britain could be struck a mortal blow, even if the strongest reprisals were attempted.

Such a shortening of air routes would be all the more important to Germany because of our difficulties in fuel supply. Every 1000 kg of fuel saved is not only an asset to our national economy, but means that 1000 kg more of explosives can be carried in the aircraft; that is to say, 1000 kg of fuel would become 1000 kg of bombs. And this also leads to economy in aircraft, in mechanical wear-and-tear of the machine, and above all in valuable airmen's lives.

These very facts are reasons for England and France to secure for themselves these regions under all circumstances, just as they compel us, on the other hand, to prevent such an occupation on the part of France and England.

The German War Aim

In the event of a final clash with France and England, the German war aim can consist only in the annihilation of Anglo-French forces, which is desirable in all circumstances. Territorial gain will be of importance only to the extent and measure in which it helps to make possible the destruction of our enemies or because of its strategic importance for the same purpose in a prolonged war. The destruction of enemy forces is therefore to be aimed at primarily, the occupation of enemy territory comes only second. There is of course a compulsory relationship between both these aims.

The Possibility of a Military Clash with France and England

The German soldier was always superior to the French. The historically recognized defeats of Germany by France were the exclusive result of the necessity for isolated German cities or states, unaided by a Reich, to fight alone and to depend entirely on their own resources against the French centralized state. German lack of unity was the only reason for all French victories. On the other hand, the German people, particularly in the last war, proved its soldierly superiority countless times.

The achievements of commanders on the German side have also been greater and more obvious in their results than on the Anglo-French side. The German collapse which took place in spite of this, derived from weaknesses which may be regarded as having been better overcome particularly in the present Reich than in the present day in France or England. This feeling of superiority is not only mine, personally, but is peculiar to all German people and German soldiers. This feeling of superiority is justified. It does not merely depend on the evaluation of earlier historical achievements, but also on the actual course of history in the last few years. The warlike equipment of the German people is at present larger in quantity and better in quality for a great number of German divisions, than in the year 1914. The weapons themselves, taking a substantial cross section, are more modern than is the case with any other country in the world at this time. They have just proved their supreme war worthiness in a victorious campaign. In the case of the armaments of other countries, this has yet to be demonstrated. In some arms, Germany today possesses clear, indisputable superiority of weapons.

The tank-arm and air force, at the present time, have not only achieved technical heights unattained by any other state as weapons of attack, but also in supplementary defense. Their operative commitment potential is insured by means of their organization and well-practiced leadership, which is better than in any other country. Their ammunitioning cannot be judged from an absolute, but only from a relative standpoint. Even today, after the conclusion of the Polish war, it is at least two or three times as great per gun as at the beginning of the year 1914. The AA ammunition supply for AA can be described as overprosperous. There is no evidence available to show that any country in the world disposes of better total ammunition stock than the German Reich. The preponderance of weapons that France today possesses lies exclusively in the province of heavier, but also older, mortars; and heavier, but at the same time mostly older, long-range artillery. These weapons are of no decisive significance whatsoever in mobile warfare. The superiority of Germany, on the contrary, consists as far as weapons are concerned, in its new light and medium caliber field artillery, in the great number of heavy infantry weapons, and in the overwhelming superiority in numbers of equipment with antitank weapons and devices, as well as the new machine gun and excellent ammunition.

The tank arm during operations in Poland surpassed the highest expectations. The air force at present is numerically the strongest in the world; the standard of training of the pilots is a maximum one. The superiority of German aircraft has not only been demonstrated in Poland, but is also being revealed by the battles in the West. The AA artillery is not equaled by any country in the world. Its supply of ammunition is, as already indicated, more than ample.

If it must be the aim of the German conduct of the war to destroy the active offensive and defensive forces of our opponents, then time is mostly in our favor so long as the development of British fighting power does not bring to France a new fighting element which would be psychologically and materially of great value to her. What must be prevented above all is that the enemy should make good the weakness of his own armaments particularly in antitank and AA, thereby creating a balance of power.

In this respect the passing of every further month represents a loss of time unfavorable to the German power of offensive. Also, from the psychological point of view, speed of action betokens a momentum, not to be underestimated, which is favorable to Germany and terrifying to her enemies. At present the German soldier is again the best in the world. His respect for himself is as great as the respect he commands from others. Six months of delaying warfare and effective propaganda on the part of the enemy might cause these important qualities to weaken once more.

The course of the campaign in Poland has not caused any kind of serious losses to the formations concerned. The losses in any unit do not even approach the average losses in one of the offensive or defensive battles in the west. This easily replaced casualty figure of at the most forty thousand men (of whom part of the wounded will soon be fighting fit, and which in any case is easily replaceable), is offset by war experience of both officers and men which never could be learned or replaced by any amount of peacetime maneuvers. As regards numbers, the strength of the German army forming up in the West is more favorable in proportion to that of the Anglo-French forces than was the case in in the year 1914. This proportion, as already mentioned, can hardly grow less favorable to us in the future, as far as France is concerned, but it may well do so by the gradual arrival of English formations. Much as I refuse to overestimate the value of the present French army, I must at the same time issue a warning against underestimating the British formations. After a certain time their armament program will be accomplished by the demands upon the International industry at their disposal. At the very worst, there is the possibility of their being able to fall back on stocks of weapons remaining from the world war. That they can be employed in a defensive role is certain; for this purpose the English mentality is particularly suited in practice. Practically the appearance of numerous formations of English origin will make the withdrawal of the French people from the war more difficult and above all will weaken the argument, at present so effective from a psychological and propaganda point of view, that France's sacrifice in human lives is greater than that of England.

Therefore, in all circumstances, attack is to be preferred to defense as the decisive war-winning method. The start, however, cannot take place too early. The coming months will not lead to any important increase of our own offensive strength, but to an important strengthening of the defensive strength of our enemies.

The German Attack

The German attack is to be mounted with the object of destroying the French army; but in any case it must create a favorable initial situation which is a prerequisite for a successful continuation of the war. In these circumstances the only possible area of attack is the sector between Luxemburg in the South and Nijmegen in the North, excluding the Liege fortress. The object of the two attacking groups thus formed is to attempt to penetrate the area of Luxemburg-Belgium-Holland in the shortest possible time, and to engage and defeat the opposing Belgian-French-English forces. Meanwhile an attempt should be made to maintain the assault on such broad fronts as will deny the formation of a coherent Anglo-British defensive front with their available forces. The policy will be to occupy only those towns and fortresses which are essential for the continuance of operations. The armored forces must be allotted tasks which will yield the best results, bearing in mind their characteristics. They are not to be lost amongst the maze of endless rows of houses in Belgium towns. It is not necessary therefore for them to attack towns at all, but it is essential for them to maintain the flow of the army's operative advance, to prevent fronts from becoming stable by massed drives through identified weakly held positions.

In view of the latest experiences gained in the Polish campaign I consider it valueless to launch an armored formation about in a northerly direction toward Antwerp as suggested. The task of the armored formations breaking through East and West of Liege will be one of mutual support, that is, by using their mobility either for the Southern column to facilitate the canal crossing for the Northern one, or for the Northern armored formations to assist the break-through of the armored divisions perhaps struggling South of Aachen by attacking the pillbox lines from the rear, after having achieved their own break-through. More important than the assault on Antwerp appears to me to be a rapid bypassing of it to the West, thereby preventing the withdrawal of the Belgian armed forces presumably concentrating there and thereby also severing the link between the British Expeditionary Corps probably operating there and the Belgian forces. As soon as Antwerp is cut off from the West, the city will be forced to capitulate in a very short time. Its closing off can be left to second- or third-rate troops.

It is impossible at this early stage to work out a more detailed plan of operation or to envisage or lay down ensuing events and the subsequent decisions and actions to be taken. It is, however, possible and imperative to be aware of the major objective right from the start, namely; to concentrate solely on the annihilation of the living enemy resources. If this should not succeed for reasons not clear at the moment, then the secondary objective will be to attempt to secure an area possessing favorable conditions for the successful conduct of a long drawn-out war—if possible—not only for the German Air Force, but also for the U-boat arm. Decision for the distribution of forces is, firstly, the realization that this plan of action under certain circumstances may result in a most rapid conclusion of the war, and that therefore there should be no limit to the number of troops employed in the operation and that, second, that third-rate troops will be required to fulfill many of the tasks originating during the operation. Secondly, that particularly in order to mount large-scale counterattacks, the enemy will be forced to employ only his really first-rate formations and that after their subsequent repulse or even defeat, he will dispose of second- or third-rate divisions only. Finally, German forces are to be disposed so far as possible from the start with due attention to identified, estimated, or even likely enemy defenses or to the confirmed or estimated concentration of his defensive power. The holding and breaking of these counterattacks is to be considered and insured right from the planning stage of the complete operation, as far as personnel are concerned, by the allotment of weapons. The peculiar nature of this campaign may make it necessary to resort to improvisations to the uttermost, to concentrate attacking or defending forces at certain points in more than normal proportion (for example, tank or antitank forces), and in subnormal concentrations at others. If necessary, mass commitment of AA for defense or attack must be used. The effect of such a concentration of massed effort—particularly of 8.8 cm—will be terrible on attacking enemy tanks, advancing infantry or artillery. The execution of the actual operation demands the highest protection of our own skies by AA defenses and air cover. The conditions experienced in Poland are not to be compared with those which will occur in the West. On the other hand it will be the German Air Force's task not only to destroy or at least put out of action enemy air forces, but also primarily to hinder or prevent the enemy High Command from putting its decisions into effect.

To this end, thorough planning for a scheduled employment of ammunition is to be made. In general, enemy transport will not be attacked at the stations but on open lines, where a maximum effect can be achieved by low-level attack and minimum of explosive. In this way the object can be attained without the destruction of rolling stock, which is undesirable from our point of view. Repair possibilities on open stretches of line are incomparably harder than in stations because alternative tracks are lacking, and attacking aircraft are not subject to so much danger from AA fire. For this type of target the fastest types of aircraft, employed singly, if no others are available, are to be loaded with only few 10 or 50 kg bombs. The certain interruptions of a railway route is of more value than the shooting down of an enemy aircraft. Attacks on dense columns moving up from the rear, which are of no battle value but merely of supply value, do not need to cause demoralization but only the destruction of the columns themselves. 10 kg bombs suffice to destroy vehicles, to damage or wound wagons and horses, thereby creating blockages on the roads and obstructing the supply system. The demoralizing effect of bombs is to be employed mainly where required to break the enemy's offensive or defensive spirit. 50 kilogram or heavier bombs are to be used primarily in attacking gun positions, enemy infantry concentrations identified strong points, crowded woods, and columns moving forward to the attack. Attacks on actual towns are to be limited to an absolute minimum since it is not the intention to capture towns or fortresses immediately at all costs; artillery and bombers are to be employed with a maximum of economy. The object of all attacks is not the destruction of inert installations but the annihilation of living offensive or defensive forces. Reprisal raids for attacks on German cities will, initially at any rate, be carried out with very small numbers of aircraft. All those in charge of these impending operations must keep firmly fixed in their minds the fact that the destruction of the Anglo-French forces is the main objective, the attainment of which will enable suitable conditions to obtain for later and successful employment of the German Air Force. The brutal employment of the GAF against the heart of the British will-to-resist can and will follow at the given moment.

Time of Attack

The attack is to take place in all circumstances (if at all possible) this autumn. It is essential, therefore, to press on to the utmost with the refitting especially of the armored and motorized formations. It must be realized that in actual warfare in the future it will be impossible to lay up motor vehicles for 3 months after they have been in action for 4 weeks. Similarly, the replenishment of normal infantry divisions, with such small casualty losses as was the case in Poland, is to be limited to the shortest possible time. The advantage gained from a long rest period, in spite of all the training possible, will be less owing to the lack of actual battle-usage which would set in. The fresh "running-in" of formations by their staffs, and the embodiment of fresh personnel, is not to take longer than a fortnight in any division.

Most important is the maximum speed in setting-up the new formations already envisaged, risking the danger that they will not come up to standard of normal first-rate troops. One only needs to recall the condition of even first-class divisions after a long drawn-out battle, to be prepared to expect more modest requirements of newly set-up formations without at the same time doubting their employability in the field. The immediate withdrawal of the so-called fortress regiments and the Fortress Division Trier is essential, to be followed by their conversion into six infantry divisions, if need be on only 2 regiments each, or 3 regiments of 2 battalions each, if the third regiment cannot be formed by increasing or reorganizing the existing ones. An expansion of this sort may not be turned down by any formal objection; it is the same as the replacement of an infantry division which has been badly knocked about in major operations, with one difference only—that during the World War these had to receive not just a third, but often two-thirds of replacement personnel within a fortnight, with officer casualties far exceeding this proportion. The establishment of division artillery has to be effected in a similar manner if necessary, by completing several companies of the army artillery with men and material from the reserve army, so that such a process requires only a small percentage of the army artillery itself.

To facilitate the assembly of a material reserve to meet any eventuality, the Eastern Army in particular is to be rapidly equipped with captured Polish and Czech weapons.

Preparation and disposition for this attack will be camouflaged by use of proven World War methods. For this purpose an accurate study of the methods used at that time and of the corresponding orders issued is recommended.

The time for the attack will be laid down according to the number of available formations and approximately suitable weather, the decisive factor being suitable conditions for tank and air warfare during the opening weeks. A successfully introduced offensive may be executed right into severe winter. The weather endurance of the French soldier is no better than that of the

German. So far as the campaign does not assume, or if it loses, the character of positional warfare, the ideas "defender" and "attacker" cease to apply and instead there are left on both sides only marching and fighting soldiers. The employment of colored troops is absolutely impossible in the bad season. The German Air Force will lose operational importance the moment the enemy air forces as such will have been badly hit or destroyed. Otherwise the climatic conditions will have an equal effect on both sides. But the German is still the best bad-weather airman.

An offensive which does not aim at the destruction of the enemy forces from the start is senseless and leads to useless waste of human life. To attack with weak and insufficient forces is equally useless. In spite of this—in the event of an early surprise attack by French formations against Belgian or Dutch territory—a line North of Aachen and in Holland offering better defensive possibilities will be reached at all costs.

Finally at every hold-up, even during the big attack, construction of a defensive line in the rear will be begun, using the materials which otherwise would serve to reinforce the West Wall.

TRANSLATION OF DOCUMENT L-53

[Stamp:]
Commandant of the Sipo and SD for the
Radom District Branch Office Tomaschow.
Received 24.7.1944 1225
Dept. IVL Diary No. 22/44
Radom 21.7.44

Commandant of the Sipo and SD for the Radom District.

4143 TOP SECRET

To: The Branch Office for the attention of SS-Hauptsturmfuehrer Thiel—or acting deputy—in Tomaschow.
Subject: Clearance of Prisons.
Reference: None.

The Commander of the Sipo and SD in the General Government issued the following order in his teletype message No. 14002 dated 20.7.44, IV 6 No. 82/44 Top Secret:

I again stress the fact that the number of inmates of the Sipo and SD prisons must be kept as low as possible. In the present situation, particularly those suspects, handed over by the Civil Police [Ordnungspolizei] need *only be subjected to a short, formal interrogation*, provided there are no serious grounds for suspicion. They are then to be sent by the quickest route to a concentration camp, should no court-martial proceedings be necessary or should there be no question of discharge. *Please keep the number of discharges very low.* Should the situation at the front necessitate it, early preparations are to be made for the total clearance of prisons. Should the situation develop suddenly in such a way that it is impossible to evacuate the prisoners, the prison inmates are to be liquidated and their bodies disposed of as far as possible (burning, blowing up the building, etc.). If necessary, *Jews* still employed in the armament industry or on other work are to be dealt with in the same way.

The liberation of prisoners or Jews by the enemy, be it the WB or the Red Army, must be avoided under all circumstances nor may they fall into their hands alive.

The above is to be noted and strictly complied with.

[signature illegible]

[Stamp:]

The Commandant of the Sipo and SD for the Radom District
Branch Office Tomaschow IV L 22/44 Top Secret.

[in writing]
Tomaschow 25.7.44
Top Secret

SS-Obersturmfuehrer Pruess personally
within the office for his information.
By order:
[signature illegible]
Information received 25/7
[signed] Preuss
[in writing]

Tomaschow 25.7.44

[Stamp:]

The Commandant Sipo and SD in the Radom District IV L 22/44
Top Secret.

The

1. Direction of depts. III, V and the technical direction of IV 1, IV 2, IV 3, and IV 6 have been informed.
2. returned [?] IV L

By order:
[Signed] R.

COPY

Saarlandstr. 96
Berlin S.W.11
26 November 1942

The Commissioner for the Four Year Plan.
The Plenipotentiary General for Manpower.

SECRET

Va 5431/7468/42 g *Express letter*

To the Presidents of the "Landes" Employment Offices (Employment Office Brandenburg excepted)

Subject: Employment of Jews; here: Exchange of Jews in essential employment against Polish labor.

In agreement with the Chief of the Security Police and the SD, Jews who are still in employment are, from now on, to be evacuated from the territory of the Reich and are to be replaced by Poles, who are being deported from the General Government.

The Chief of the Security Police advises under the date of 26 October 1942 that it is anticipated that during the month of November the evacuation of Poles in the Lublin district will begin, in order to make room there for the settlement of persons of German race [Volksdeutsche].

The Poles who are to be evacuated as a result of this measure will be put into concentration camps and put to work where they are criminal or as social elements. The remaining Poles where they are suitable for labor, will be transported, without family, into the Reich, particularly to Berlin; there they will be put at the disposal of the labor allocation offices to work in armament factories instead of the Jews who are to be replaced.

The Jews who will become available as a result of the employment of Polish labor will be deported on a shuttle system. This will apply first to Jews engaged in menial work since they can be exchanged most easily. The remaining so-called "qualified" Jewish laborers will be left to the industries until their Polish replacements have been made sufficiently familiar with the work processes by a period of apprenticeship to be determined for each case individually. Loss of production in individual industries will thus be reduced to the absolute minimum.

I reserve the right to issue further instructions. Please inform the labor offices concerned accordingly.

To the President of the "Landes" Labor Office Brandenburg, Berlin W.62

I transmit the foregoing copy for your information. So far as the removal of Jews (still) in employment concerns your area [Bezirk] too, I request that you take the necessary measures in cooperation with the competent offices of the Chief of the Security Police and of the SD.

[Signed]: Fritz Sauckel

The Regierungs President Economics Admin Staff for War Economics Area XII [Wehrwirtschaftsbezirk XII].

Wilhelmstr. 48
Wiesbaden
12 Dec. 1942
III/11-B.E. 10. 23/3205/42 g Tel. 5948

COPY

SECRET

to the Chambers of Commerce and Industry
and the Manual Workers' Guilds [Handwerkskammern]
in War Economics Area XII.
—address to individuals or acting deputy—

for your information:
By order:
[Signed]: Dr. Schneider
Certified:
Hellbach
Employee

[Stamp]
The Regierungspraesident
Landes Office of Economics
Coblenz
16 Dec. 1942
Diary No. 2627 Clerk

[Stamp]
The Regierungspraesident
Wiesbaden
Economics Admin Staff
for War Economics Area XII

For information:

a. Chambers of Economics.
b. "Landes" Master Mechanics.
c. "Landes" Economic Offices Koblenz and Saarbruecken for War Economics Area XII
—address to individuals or acting deputy.

PARTIAL TRANSLATION OF DOCUMENT L-70

Speech by Reichsfuehrer SS Himmler at Bad Schachen, 14th October 1943, Pages 23, 30.

THE QUESTION OF SECURITY

I consider that in dealing with members of a foreign country, especially some Slav nationality, we must not start from German points of view and we must not endow these people with decent German thoughts and logical conclusions of which they are not capable, but we must take them as they really are.

Obviously in such a mixture of peoples there will always be some racially good types. Therefore I think that it is our duty to take their children with us, to remove them from their environment, if necessary by robbing or stealing them * * * Either we win over any good blood that we can use for ourselves and give it a place in our people or * * * we destroy this blood.

* * * * * * *

For us the end of this war will mean an open road to the East, the creation of the Germanic Reich in this way or that . . . the fetching home of 30 million human beings of our blood, so that still during our lifetime we shall be a people of 120 million Germanic souls. That means that we shall be the sole decisive power in Europe. That means that we shall then be able to tackle the peace, during which we shall be willing for the first twenty years to rebuild and spread out our villages and towns, and that we shall push the borders of our German race 500 Kilometres further out to the East.

COPY OF DOCUMENT L-73

City of Washington }
District of Columbia } ss

Bruno Bettelheim being first duly sworn deposes and says:

1. I was born in Vienna, Austria and lived there up until the annexation of Austria by the Germans in March, 1938. My education was obtained at the Progressive-Real-Gymnasium at Vienna and the University of Vienna where I received a Ph.D. degree in psychology and philosophy in 1938. For a period of approximately twelve years prior thereto I had conducted research work in psychology and education. I was also interested in a business which I inherited from my father. This business, a joint stock

company by the name of Bettelheim and Schnitzer, was engaged in lumber and saw mill operations in Austria.

2. My political affiliations were with the Social Democratic Party which stood for the independence of Austria. The tenets of this party were diametrically opposed to the Nazi viewpoint and principles.

3. Immediately following the occupation of Austria on or about March 12, 1938, it became apparent to me that I would not be permitted to live in peace in Austria. Therefore, I resolved to leave the country. My wife and I left Vienna on about 12 or 13 of March and were stopped at the Czechoslovakian-Hungarian border that night. The next day we undertook to leave Vienna by train, and while my wife was permitted to proceed, I was detained by the police, ordered to remain in Vienna, and my passport was taken away from me. Within the next day or two the police searched my home. I was extensively questioned but not taken into custody, the police stating that it did not appear that I had violated any of the laws of Austria. Three or four weeks later I was taken into custody, the police stating that it did not appear that I had violated any of the laws of Austria. Three or four weeks later I was taken into custody by the Austria police and for three days questioned about my political activities. At the conclusion of the questioning the police officer who was in charge of the investigation dictated a statement to the effect that there appeared to be no basis whatever for any legal action against me. Thereupon I was released. Two weeks later I was taken into custody and imprisoned. It was stated to me that my confinement was the result of orders issued by the Gestapo in Berlin. I spent three days in jail in Vienna after which I was transferred to the concentration camp at Dachau early in May, 1938. I spent approximately four months in Dachau after which I was transferred to the concentration camp at Buchenwald. Meanwhile my wife had proceeded to the United States. I was released from Buchenwald in April 1939. My release was effected through the aid of some influential friends of mine in America who were able to enlist the assistance of the State Department of the United States.

4. Upon my release I came to the United States. In November, 1939 I was appointed Research Associate of the Progressive Education Association at the University of Chicago. Since then I have been connected with this University. At present I am Assistant Professor of Education and Principal of the University's Orthogenic School.

5. My period of confinement in the concentration camp at Dachau and Buchenwald afforded an opportunity to conduct investigations, collect data, and make certain observations concerning the effect on the personality and behavior of individuals who have spent several years in such institutions. The motives which prompted me to make such a study are adverted to below. It is not the purpose of this statement to recount once more the horror story of the German concentration camp. That story has been repeatedly and adequately documented, particularly in recent months following the fall of Germany. Accordingly, this statement does not emphasize individual acts of terror but is limited to the sociological significance of the concentration camp; viz., an examination and appraisal of the concentration camp as a means of producing psychological changes in the prisoners. On the basis of my previous experience with Gestapo methods and my observation of the deteriorating changes which occurred in the prisoners during the process of their adaptation to the camp situation, I was enabled to reach certain conclusions as to the results which the Gestapo sought to achieve by means of the camps. These conclusions are stated below.

6. In the concentration camp the Gestapo developed methods for subjecting not only free men, but also the most ardent foes of the Nazi system, to a process of disintegration from their position as autonomous individuals. This process was attained by means of exposing them to extreme experiences. During the course of my confinement my study of this subject embraced an investigation and examination of what occurred in the prisoners from the moment they had their first experience with the Gestapo up to the time when the process of adaptation to the camp situation was practically concluded.

7. *Reasons for making studies.* While my former training and psychological interests were of material assistance to me in collecting the data and conducting the necessary investigations I did not analyze my own behavior and that of my fellow prisoners in order to add to pure scientific research. On the contrary, the study of these behaviors was a mechanism developed by me in order that I might have some intellectual interests and in this way be better equipped to endure life in the camp. It was developed by me to forestall a complete disintegration of my character and personality. I may add that I felt that without an activity which could force me to remain continuously critical of the Gestapo methods I would not be able to defend successfully the integrity of my personality against the impact of the Gestapo methods. The need

for a strong defense against the influence which the camp was exercising on me became apparent during my first few days of confinement. I observed that I was behaving differently from the way I used to. I may add that I am convinced that I would have been unable to make these observations without the strict and continuous self-observation which my years of psycho-analytical training taught me.

8. I observed that some of my actions evidenced psycho-pathological behavior. Thereupon the questions arose in my mind as to whether or not I was progressing into insanity. Moreover I observed my fellow prisoners act in a most peculiar way although I had every reason to assume that they, too, had been normal persons before being imprisoned. To ascertain the nature of my own observations and to protect myself from the apparent disintegration manifested by the other prisoners obviously became a matter of prime importance to me. The answer was comparatively simple: to find out what happened in them and to me. If I did not change any more than all other normal persons, then what happened in me and to me was a process of adaptation and not the setting in of insanity. By undertaking this analysis I not only erected a bulwark against personality disintegration but I also succeeded in killing time in a way which seemed constructive. To forget for a time that I was in the camp seemed at first the greatest advantage of this occupation. As time went on, the enhancement of my self-respect due to my ability to continue to do meaningful work despite the contrary efforts of the Gestapo became of first importance.

9. *Methods of collecting data.* It was impossible to keep any records, because there was no time for them, no place to keep them and no way to take them out of the camp. This difficulty was overcome by making an effort to commit to memory the essential facts. While this procedure was handicapped by extreme malnutrition, the improvement in my health following termination of confinement in camp was accompanied by the recollection of much seemingly forgotten material.

10. The prisoners were willing to talk about themselves because to find somebody interested in them and their problems added to their self-esteem. While conversation at work was strictly prohibited, during the hours of early morning and late evening, the guards could not see whether or not the prisoners talked. This afforded an opportunity of one or two hours per day which was available for conversation.

11. I worked in at least 20 different labor groups whose number varied from 20 or 30 all the way up to a few hundreds. I

slept in five different barracks in each of which 200 or 300 prisoners lived. In this way I came to know personally at least 600 prisoners at Dachau (out of approximately 6,000) and at least 900 at Buchenwald (out of approximately 8,000). Although older prisoners of the same category lived together in barracks, all categories were mixed at work so that I was able to contact and interview prisoners of all types. The main different categories were: political prisoners; "work-shy" prisoners, that is, persons who did not agree to work wherever the government wanted them to work, or who had changed working places to get higher wages, etc.; former members of the French Foreign Legion and spies; Jehovah's Witnesses and other conscientious objectors; Jews; criminals; and other groups, e.g. former members of such suppressed Nazi groups as the followers of Roehm who were still alive.

12. I was thus afforded an opportunity of interviewing all different groups and in this way secured an adequate sampling. I was able to find only two other persons whose intelligence and training qualified them to participate in my investigation. These individuals spoke to several hundred prisoners. Every day during the morning count of the prisoners, while waiting for assignment to labor groups, reports were exchanged, and theories discussed. These talks proved very helpful in clarifying mistakes due to taking a one-sided viewpoint.

13. The process of adaptation to the camp situation can be broken down into three different stages. The main event of the first stage is the transportation to the camp and the first experiences in it. The next stage is characterized by a slow process of changing the prisoner's life and personality. It occurs step by step continuously. The last stage is the final adaptation to the camp situation. These three stages will be analyzed below:

14. *The transportation into the camp and the first experiences in it.* After having spent several days in prison, the prisoners were brought into the camp. During this transportation they were exposed to constant tortures of various kinds. Corporal punishment consisting of whipping, kicking, slapping intermingled with shooting and wounding with the bayonet, alternated with tortures the obvious goal of which was extreme exhaustion. For instance, the prisoners were forced to stare for hours into glaring lights, to kneel for hours, and so on. From time to time a prisoner got killed; no prisoner was permitted to take care of his or another's wounds. These tortures alternated with efforts on the part of the guards to force the prisoners to hit one another, and to defile what the guards considered the prisoners' most cherished

values. For instance, the prisoners were forced to curse their God, to accuse themselves of vile actions, accuse their wives of adultery and of prostitution. This continued for hours and was repeated at various times.

15. The purpose of the tortures was to break the resistance of the prisoners, and to assure the guards that they were really superior to them. This can be seen from the fact that the longer the tortures lasted, the less violent they became. The guards became slowly less excited, and at the end even talked with the prisoners. As soon as a new guard took over, he started with new acts of terror, although not as violent as in the beginning, and he eased up sooner than his predecessor. Sometimes prisoners who had already spent time in camp were brought back with a group of new prisoners. These old prisoners were not tortured if they could furnish evidence that they had already been in the camp. That these tortures were planned can be seen from the fact that during my transportation into the camp after several prisoners had died and many had been wounded in tortures lasting for 12 hours, the command, "Stop mistreating the prisoners," came and from this moment on the prisoners were left in peace till they arrived in the camp when another group of guards took over and started anew to take advantage of them.

16. Most of the prisoners became so exhausted that they were only partly conscious of what happened. In general, prisoners remembered the details and did not mind talking about them, but they did not like to talk about what they had felt and thought during the time of torture. The few who volunteered information made vague statements which sounded like devious rationalizations, invented for the purpose of justifying that they had endured treatment injurious to their self-respect without trying to fight back. The few who had tried to fight back could not be interviewed; they were dead.

17. I can vividly recall my extreme weariness, resulting from a bayonet wound which I had received early in the course of transportation and from a heavy blow on the head. Both injuries led to the loss of a considerable amount of blood, and made me groggy. Nevertheless I wondered that the guards really tortured prisoners in the way it had been described in books on the concentration camps; that the Gestapo was so simple-minded as either to enjoy forcing prisoners to defile themselves or to expect to break their resistance in this way. I wondered that the guards were lacking in fantasy when selecting the means to torture the prisoners; that their sadism was without imagination. I was rather amused by the repeated statement that guards do not

shoot the prisoners but kill them by beating them to death because a bullet costs six pfennigs, and the prisoners are not worth even so much. Obviously the idea that these men, most of them formerly influential persons, were not worth such a trifle impressed the guards considerably. It was clear that these tortures followed a deliberate and purposeful plan. This is evidenced by the fact that the railroad coaches in which prisoners were transported were equipped with unusually strong light bulbs. The prisoners were forced to stare for hours at these lights which created in them a condition analogous to a state of hypnotism. These circumstances contributed to creating a condition which may best be described as a state of "depersonalization." It seemed as if I had become convinced that these horrible and degrading experiences somehow did not happen to "me" as a subject but to "me" as an object. This experience was corroborated by the statements of other prisoners.

18. All the thoughts and emotions which I had during the transportation were extremely detached. It was as if I watched things happening in which I only vaguely participated. Later I learned that many prisoners had developed this same feeling of detachment, as if what happened really did not matter to oneself. It was strangely mixed with a conviction that "this cannot be true, such things just do not happen." Not only during the transportation, but all through the time spent in camp, the prisoners had to convince themselves that this was real, was really happening, and not just a nightmare. They were never wholly successful.

19. There were good indications that most guards embraced a similar attitude, although for different reasons. They tortured the prisoners partly because they enjoyed demonstrating their superiority, partly because their superiors expected it of them. But, having been educated in a world which rejected brutality, they felt uneasy about what they were doing. It seems that they, too, had an emotional attitude toward their acts of brutality which might be described as a feeling of unreality. After having been guards in the camp for some time, they got accustomed to inhuman behavior, they became "conditioned" to it; it then became part of their "real" life.

20. To summarize: During the transportation the prisoners were exposed to physical and mental tortures, the purpose of which seemed to be to break any ability to resist the Gestapo. They seemed, moreover, to serve the purpose of overcoming the Gestapo members' fear of the prisoners who were more intelligent and belonged usually to a higher social group. During the trans-

portation the prisoners developed a state of detachment, feeling as if what happened did not really happen to them as persons. Thus, transportation into the camp was instrumental in bringing about the alienation of the prisoner from his normal personality.

21. It seems that camp experiences which remained within the normal frame of reference of a prisoner's life experience were dealt with by means of the normal psychological mechanisms. Once the experience transcended this frame of reference, the normal mechanisms seemed no longer able to deal adequately with it and new psychological mechanisms were needed. The experience during the transportation was one of those transcending the normal frame of reference and the reaction to it may be described as "unforgetable, but unreal."

22. Attitudes similar to those developed toward the transportation could be observed in other extreme situations. On a terribly cold winter night when a snow storm was blowing, all prisoners were punished by being forced to stand at attention without overcoats—they never wore any—for hours. This, after having worked for more than 12 hours in the open and having received hardly any food. The reason for this punishment was that two prisoners had tried to escape. On such occasions all prisoners were always punished very severely, so that in the future they would give away any secret they had learned, because otherwise they would have to suffer. The idea was that every prisoner ought to feel responsible for any act committed by any other prisoner. This was in line with the principle of the Gestapo to force the prisoners to feel and act as a group, and not as individuals. They were threatened with having to stand all through the night. After about 20 prisoners had died from exposure the discipline broke down. The threats of the guards became ineffective. To be exposed to the weather was a terrible torture; to see one's friends die without being able to help, and to stand a good chance of dying, created a situation similar to the transportation, except that the prisoners had by now more experience with the Gestapo. Open resistance was impossible, as impossible as it was to do anything definite to safeguard oneself. A feeling of utter indifference swept the prisoners. They did not care whether the guards shot them; they were indifferent to acts of torture committed by the guards. The guards had no longer any authority, the spell of fear and death was broken. It was again as if what happened did not "really" happen to oneself. There was again the split between the "me" to whom it happened, and the "me" who really did not care and was just an interested but detached observer. Unfortunate as the situation was, they

felt free from fear and therefore were actually happier than at most other times during their camp experiences.

23. After more than 80 prisoners had died, and several hundred had their extremities so badly frozen that they had later to be amputated, the prisoners were permitted to return to the barracks. They were completely exhausted, but did not experience that feeling of happiness which some of them had expected. They felt relieved that the torture was over, but felt at the same time that they no longer were free from fear and no longer could strongly rely on mutual help. Each prisoner as an individual was now comparatively safer, but he had lost the safety originating in being a member of a unified group. This event was again freely discussed, in a detached way, and again the discussion was restricted to facts; the prisoners' emotions and thoughts during this night were hardly ever mentioned. The event itself and its details were not forgotten, but no particular emotions were attached to them; nor did they appear in dreams.

24. The psychological reactions to events which were somewhat more within the sphere of the normally comprehensible were decidedly different from those to extreme events. It seems that prisoners dealt with less extreme events in the same way as if they had happened outside of the camp. For example, if a prisoner's punishment was not of an unusual kind, he seemed ashamed of it, he tried not to speak about it. A slap in one's face was embarrassing, and not to be discussed. One hated individual guards who had kicked one, or slapped one, or verbally abused one much more than the guard who really had wounded one seriously. In the latter case one eventually hated the Gestapo as much, but not so much the individual inflicting the punishment. Obviously this differentiation was unreasonable, but it seemed to be inescapable. One felt deeper and more violent aggressions against particular Gestapo members who had committed minor vile acts than one felt against those who had acted in a much more terrible fashion.

25. It seems that all experiences which might have happened during the prisoner's "normal" life history provoked a "normal" reaction. Prisoners seemed for instance, particularly sensitive to punishments similar to those which a parent might inflict on his child. To punish a child within their "normal" frame of reference, but that they should become the object of the punishment destroyed their adult frame of reference. So they reacted to it not in an adult, but in a childish way—with embarrassment and shame, with violent, impotent, and unmanageable emotions di-

rected, not against the system, but against the person inflicting the punishment.

26. Resentment by prisoners of minor vile acts on the part of the guards more than extreme experiences is explained as follows: When a prisoner was cursed, slapped, pushed around "like a child" and if he was, like a child, unable to defend himself, this revived in him behavior patterns and psychological mechanisms which he had developed when a child. Like a child he was unable to see his treatment in the general context of the behavior of the Gestapo. The degradation of the prisoner by means of being treated like a child took place not only in his mind, but in the minds of his fellow prisoners, too.

Differences in attitudes of old and new prisoners

27. As time went on the difference in the reaction to minor and major sufferings slowly seemed to disappear. This change in reaction was only one of many differences between old and new prisoners. A few others ought to be mentioned. In the following discussion I refer to the term "new prisoners" to those who had not spent more than one year in the camp; "old" prisoners are those who have spent at least three years in the camp.

28. The main concern of the new prisoners seemed to be to remain intact as a personality and to return to the outer world the same persons who had left it; all their emotional efforts were directed towards this goal. Old prisoners seemed mainly concerned with the problem of how to live as well as possible within the camp. Once they had reached this attitude, everything that happened to them, even the worst atrocity, was "real" to them. No longer was there a split between one to whom things happened and the one who observed them. Once this stage was reached of taking everything that happened in the camp as "real," there was every indication that the prisoners who had reached it were afraid of returning to the outer world. They did not admit it directly, but from their talk it was clear that they hardly believed they would ever return to this outer world because they felt that only a cataclysmic event—a world war and world revolution—could free them; and even then they doubted that they would be able to adapt to this new life. They seemed aware of what had happened to them while growing older in the camp. They realized that they had adapted themselves to the life in the camp and that this process was coexistent with a basic change in their personality.

29. The most drastic demonstration of this realization was provided by the case of a formerly very prominent radical Ger-

man politician. He declared that according to his experience nobody could live in the camp longer than five years without changing his attitudes so radically that he no longer could be considered the same person he used to be. He asserted that he did not see any point in continuing to live once his real life consisted in being a prisoner in a concentration camp, that he could not endure developing those attitudes and behaviors he saw developing in all old prisoners. He therefore had decided to commit suicide on the sixth anniversary of his being brought into the camp. His fellow prisoners tried to watch him carefully on this day, but nevertheless he succeeded.

30. There was, of course, considerable variation among individuals in the time it took them to make their peace with the idea of having to spend the rest of their lives in the camp. Some became part of the camp life rather soon, some probably never. The change to accepting camp life as real never took place before spending two years in camp. Even then everyone was overtly longing to regain freedom. Some of the indications from which I could observe the changed attitude were: scheming to find oneself a better place in the camp rather than trying to contact the outer world, avoiding speculation about one's family, or world affairs, concentrating all interest on events taking place inside of the camp. It so happened that on the same day news was received of a speech by President Roosevelt, denouncing Hitler and Germany, and rumors spread that one officer of the Gestapo would be replaced by another. The new prisoners discussed the speech excitedly, and paid no attention to the rumors, the old prisoners no attention to the speech, but devoted all their conversations to the changes in camp officers. When I expressed to some of the old prisoners my astonishment that they seemed not to be interested in discussing their future life outside the camp, they frequently admitted that they no longer could visualize themselves living outside the camp, making free decisions, taking care of themselves and their families. The changes in attitudes toward their families and to events taking place in the outside world were not the only ones which could be observed in old prisoners; other differences between old and new prisoners could be recognized in their hopes for their future lives, in the degree to which they regressed to infantile behavior, and in many other ways. When discussing these differences between old and new prisoners I wish to make clear that there were great individual variations, that all statements are generalizations based on my observation of and discussion with the individuals.

31. The new prisoners consistently accused their families of

betraying and cheating them. They would weep over a letter telling of the efforts in regard to their property which had been sold without their permission. They would swear at their families which "obviously" considered them "already dead." Even the smallest change in their former private world attained tremendous importance.

32. The violent reaction against changes in their families was the counterpart of the prisoners' realization that they were changing. What enraged them was probably not only the fact of the change, but the change in standing within the family which it implied. Their families had been dependent on them for decisions, and now they were the ones to be dependent. That created in them a feeling of dependency. The only chance they saw for becoming again the head of the family was that the family structure remain untouched despite their absence. Also they knew the attitudes of most persons toward those who have spent time in prisons of any kind.

33. Old prisoners did not like to be reminded of their families and former friends. When they spoke about them, it was in a very detached way. They liked to receive letters, but it was not very important to them. It has been mentioned that they had some realization of how difficult it might be for them to find their way back, but there was another contributing factor, namely, the prisoners' hatred of all those living outside of the camp, who "enjoyed life as if we were not rotting away."

34. This outside world which continued to live as if nothing had happened was in the minds of the prisoners represented by those whom they used to know, namely, by their relatives and friends. But even this hatred was very subdued in the old prisoners. It seemed that, as much as they had forgotten to love their kin, they had lost the ability to hate them. They had learned to direct a great amount of aggression against themselves so as not to get into too many conflicts with the Gestapo, while the new prisoners still directed their aggression against the outer world, and—when not supervised—against the Gestapo. Since the old prisoners did not show much emotion either way, they were unable to feel strongly about anybody.

35. Old prisoners did not like to mention their former social status or their former activities, whereas new prisoners were rather boastful about them. New prisoners seemed to try to back their self-esteem by letting others know how important they had been, with the very obvious implication that they still were important. Old prisoners seemed to have accepted their state of dejection, and to compare it with their former splendor—and

anything was magnificent when compared with the situation in which they found themselves—was probably too depressing.

36. Closely connected with the prisoners' beliefs about, and attitudes toward, their families were their beliefs and hopes concerning their life after release from camp. Here the prisoners embarked a great deal on individual and group daydreams. There was a marked difference between the daydreams of the new and the old prisoners. The longer the time a prisoner had spent in camp, the less true to reality were his daydreams. They were convinced that they would emerge as the future leaders of Germany at least, if not of the world. This was the least to which their sufferings entitled them. These grandiose expectations were coexistent with great vagueness as to their future private lives. In their daydreams they were certain to emerge as the future secretaries of state, but they were less certain whether they would continue to live with their wives and children. Part of these daydreams may be explained by the fact that they seemed to feel that only a high public position could help them to regain their standing within their families.

37. The hopes and expectations of the new prisoners about their future lives were much more true to reality. Despite their open ambivalence about their families, they never doubted that they were going to continue to live with them just where they had left off. They hoped to continue their public and professional lives in the same way as they used to live them.

38. Most of the adaptations to the camp situation mentioned so far were more or less individual. The changes discussed below, namely, the *regression to infantile behavior,* was a mass phenomenon. Whereas the prisoners did not interfere with another's daydreams or with his attitudes to his family, they asserted their power as a group over these prisoners who objected to deviations from normal adult behavior. They accused those who would not develop a childlike dependency on the guards as threatening the security of the group, an accusation which was not without foundation, since the Gestapo always punished the group for the misbehavior of individual members. This regression into childlike behavior was, therefore even more inescapable than other types of behavior imposed on the individual by the impact of the conditions in the camp.

39. The prisoners developed types of behavior which are characteristic of infancy or early youth. Some of these behaviors developed slowly, others were immediately imposed on the prisoners and developed only in intensity as time went on. Some of these more or less infantile behaviors have already been dis-

cussed, such as ambivalence to one's family, despondency, finding satisfaction in irrealistic daydreaming rather than in action.

40. I am convinced that these behavior patterns were deliberately produced by the Gestapo. I mentioned that during the transportation the prisoners were tortured in a way in which a cruel and domineering father might torture a helpless child; here I should add that the prisoners were also debased by techniques which went much further into childhood situations. They were forced to soil themselves. In the camp the defecation was strictly regulated; it was one of the most important daily events, discussed in great detail. During the day the prisoners who wanted to defecate had to obtain the permission of the guard. It seemed as if the education to cleanliness would be once more repeated. It seemed to give pleasure to the guards to hold the power of granting or withholding the permission to visit the latrines. (Toilets were mostly not available.) This pleasure of the guards found its counterpart in the pleasure the prisoners derived from visiting the latrines, because there they usually could rest for a moment, secure from the whips of the overseers and guards. They were not always so secure, because sometimes enterprising young guards enjoyed interfering with the prisoners even at these moments.

41. The prisoners were forced to say "thou" to one another, which in Germany is indiscriminately used only among small children. They were not permitted to address one another with the many titles to which middle- and upper-class Germans are accustomed. On the other hand, they had to address the guards in the most deferential manner giving them all their titles.

42. The prisoners lived, like children, only in the immediate present; they lost the feeling for the sequence of time, they became unable to plan for the future or to give up immediate pleasure satisfactions to gain greater ones in the near future. They were unable to establish durable object-relations. Friendships developed as quickly as they broke up. Prisoners would, like early adolescents, fight one another tooth and nail, declare that they would never even look at one another or speak to one another, only to become close friends within a few minutes. They were boastful, telling tales about what they had accomplished in their former lives, or how they succeeded in cheating foremen or guards, and how they sabotaged the work. Like children they felt not at all set back or ashamed when it became known that they had lied about their prowess.

43. Another factor contributing to the regression into childhood behavior was the work the prisoners were forced to perform. New prisoners particularly were forced to perform non-

sensical tasks, such as carrying heavy rocks from one place to another, and after a while back to the place where they had picked them up. On other days they were forced to dig holes in the ground with their bare hands, although tools were available. They resented such nonsensical work, although it ought to have been immaterial to them whether their work was useful. They felt debased when forced to perform "childish" and stupid labor, and preferred even harder work when it produced something that might be considered useful. There seems to be no doubt that the tasks they performed, as well as the mistreatment by the Gestapo which they had to endure, contributed to their disintegration as adult persons.

44. All changes produced by living in the camp seemed to force the prisoners back into childhood attitudes and behaviors and they became in this way more or less willing tools of the Gestapo.

45. *The final adjustment to the life in the camp.* A prisoner had reached the final stage of adjustment to the camp situation when he had changed his personality so as to accept as his own the values of the Gestapo. A few examples may illustrate how this acceptance expressed itself.

46. The prisoners found themselves in an impossible situation due to the steady interference with their privacy on the part of the guards and other prisoners. So a great amount of aggression accumulated. In the new prisoners it vented itself in the way it might have done in the world outside the camp. But slowly prisoners accepted, as expression of their verbal aggressions, terms which definitely did not originate in their previous vocabularies, but were taken over from the very different vocabulary of the Gestapo. From copying the verbal aggressions of the Gestapo to copying their form of bodily aggressions was one more step, but it took several years to make this step. It was not unusual to find old prisoners, when in charge of others, behaving worse than the Gestapo, in some cases because they were trying to win favor with the Gestapo in this way, but more often because they considered this the best way to behave toward prisoners in the camp.

47. Practically all prisoners who had spent a long time in the camp took over the Gestapo's attitude toward the so-called unfit prisoners. Newcomers presented the old prisoners with difficult problems. Their complaints about the unbearable life in camp added new strain to the life in the barracks, so did their inability to adjust to it. Bad behavior in the labor gang endangered the whole group. So a newcomer who did not stand up well under the strain tended to become a liability for the other prisoners. Moreover, weaklings were those most apt eventually to turn traitors.

Weaklings usually died during the first weeks in the camp anyway, so it seemed as well to get rid of them sooner. So old prisoners were sometimes instrumental in getting rid of the unfit, in this way making a feature of Gestapo ideology a feature of their own behavior. This was one of the many situations in which old prisoners demonstrated toughness and molded their way of treating other prisoners according to the example set by the Gestapo. That this was really a taking-over of Gestapo attitudes can be seen from the treatment of traitors. Self-protection asked for their elimination, but the way in which they were tortured for days and slowly killed was taken over from the Gestapo.

48. Old prisoners who seemed to have a tendency to identify themselves with the Gestapo did so not only in respect to aggressive behavior. They would try to arrogate to themselves old pieces of Gestapo uniforms. If that was not possible, they tried to sew and mend their uniforms so that they would resemble those of the guards. The length to which prisoners would go in these efforts seemed unbelievable, particularly since the Gestapo punished them for their efforts to copy Gestapo uniforms. When asked why they did it they admitted that they loved to look like one of the guards.

49. The identification with the Gestapo did not stop with the copying of their outer appearance and behavior. Old prisoners accepted their goals and values, too, even when they seemed opposed to their own interests. It was appalling to see how far formerly even politically well-educated prisoners would go in this identification. At one time American and English newspapers were full of stories about the cruelties committed in the camps. The Gestapo punished the prisoners for the appearance of these stories true to their policy of punishing the group for whatever a member or a former member did, and the stories must have originated in reports of former prisoners. In discussions of this event old prisoners would insist that it is not the business of foreign correspondents or newspapers to bother with German institutions and expressed their hatred of the journalists who tried to help them. I asked more than one hundred old political prisoners the following question: "If I am lucky and reach foreign soil, should I tell the story of the camp and arouse the interest of the cultured world?" I found only two who made the unqualified statement that everyone escaping Germany ought to fight the Nazis to the best of his abilities. All others were hoping for a German revolution, but did not like the idea of interference on the part of a foreign power.

50. When old prisoners accepted Nazi values as their own they usually did not admit it, but explained their behavior by means of rationalizations. For instance, prisoners collected scrap in the camp because Germany was low on raw materials. When I pointed out that they were thus helping the Nazis, they rationalized that through the saving of scrap Germany's working classes, too, became richer. When erecting buildings for the Gestapo, controversies started whether one should build well. New prisoners were for sabotaging, a majority of the old prisoners for building well. It seems that the majority of the old prisoners had realized that they could not continue to work for the Gestapo unless they could convince themselves that their work made some sense, so they had to convince themselves of this sense.

51. The satisfaction with which some old prisoners enjoyed the fact that, during the twice daily counting of the prisoners, they really had stood well at attention can be explained only by the fact that they had entirely accepted the values of the Gestapo as their own. Prisoners prided themselves of being as tough as the Gestapo members. This identification with their torturers went so far as copying their leisure time activities. One of the games played by the guards was to find out who could stand to be hit longest without uttering a complaint.

This game was copied by the old prisoners, as though they had not been hit often and long enough without needing to repeat this experience as a game.

52. Often the Gestapo would enforce nonsensical rules, originating in the whims of one of the guards. They were usually forgotten as soon as formulated, but there were always some old prisoners who would continue to follow these rules and try to enforce them on others long after the Gestapo had forgotten about them. Once, for instance, a guard on inspecting the prisoners' apparel found that the shoes of some of them were dirty on the inside. He ordered all prisoners to wash their shoes inside and out with water and soap. The heavy shoes treated this way became hard as stone. The order was never repeated, and many prisoners did not even execute it when given. Nevertheless there were some old prisoners who not only continued to wash the inside of their shoes every day but cursed all others who did not do so as negligent and dirty. These prisoners firmly believed that the rules set down by the Gestapo were desirable standards of human behavior, at least in the camp situation.

53. Other problems in which most old prisoners made their peace with the values of the Gestapo included the race problem,

although race discrimination had been alien to their scheme of values before they were brought into the camp. They accepted as true the claim that Germany needed more space ("Lebensraum"), but added "as long as there does not exist a world federation," they believed in the superiority of the German race. It should be emphasized that this was not the result of propaganda on the side of the Gestapo. The Gestapo made no such efforts and insisted in its statements that it was not interested in how the prisoners felt as long as they were full of fear of the Gestapo. Moreover, the Gestapo insisted that it would prevent them from expressing their feelings anyway.

54. Among the old prisoners one could observe other developments which indicated their desire to accept the Gestapo along lines which definitely could not originate in propaganda. It seems that, since they returned to a childlike attitude toward the Gestapo, they had a desire that at least some of those whom they accepted as all-powerful father-images should be just and kind. They divided their positive and negative feelings, strange as it may be that they should have positive feelings, they had them—toward the Gestapo in such a way that all positive emotions were concentrated on a few officers who were rather high up in the hierarchy of camp administrators, but hardly ever on the governor of the camp. They insisted that these officers hide behind their rough surfaces a feeling of justice and propriety; he, or they, were supposed to be genuinely interested in the prisoners and even trying, in a small way, to help them. Since nothing of these supposed feelings and efforts ever became apparent, it was explained that he hid them so effectively because otherwise he would not be able to help the prisoners. The eagerness of these prisoners to find reasons for their claims was pitiful. A whole legend was woven around the fact that of two officers inspecting a barrack one had cleaned his shoes before entering. He probably did it automatically, but it was interpreted as a rebuff to the other officer and a clear demonstration of how he felt about the concentration camp.

Conclusions:

55. Based upon my knowledge of the Gestapo, and my confinement in Dachau and Buchenwald for one year, which furnished the personal experience and laboratory for the foregoing observations, I have reached certain conclusions as to the Nazi reasons for setting up the concentration camps and the results which they sought to achieve by conducting such camps in the manner which I have described. The conclusions are as follows:

(a) To spread terror among the rest of the population by using the prisoners as hostages for good behaviour, and by demonstrating what happens to those who oppose the Nazi rules.

(b) To provide the Gestapo members with a training ground in which they were so educated as to lose all human emotions and attitudes, and learn the most effective ways of breaking resistance in a defenseless civilian population.

(c) To provide the Gestapo with an experimental laboratory in which to study the effective means for breaking civilian resistance, the minimum food, hygienic, and medical requirements needed to keep prisoners alive and able to perform hard labor when the threat of punishment takes the place of all other normal incentives, and the influence on performance if no time is allowed for anything but hard labor and if the prisoners are separated from their families.

(d) To break the prisoners as individuals and to change them into docile masses from which no individual or group act of resistance could arise.

56. Some additional comment on these conclusions is indicated. With respect to (a) above—the spreading of terror among the rest of the people—that objective does not appear to have been an original purpose of the concentration camp device. When the concentration camps were first established the Nazis detained in them their more prominent foes. Pretty soon there were no more prominent enemies available, because they were either dead, in the jails, the camps, or had emigrated. Still, an institution was needed to threaten the opponents of the system. Too many Germans became dissatisfied with the system. To imprison all of them would have interrupted the functioning of the industrial production, the upholding of which was a paramount goal of the Nazis. So if a group of the population got fed up with the Nazi regime, a selected few members of this group would be brought into the concentration camp. If lawyers became restless, a few hundred lawyers were sent to the camp, the same happened to physicians when the medical profession seemed rebellious, etc. The Gestapo called such group punishments "actions" and this new system was first used during 1937–38, when Germany was first preparing to embark on the annexation of foreign countries. During the first of these "actions" only the leaders of the opposition group were punished. That led to the feeling that just to belong to a rebellious group was not dangerous, since only the leaders were threatened. Soon the Gestapo revised its system, and selected the persons to be punished so that they represented

a cross-section through the different strata of the group. This new procedure had not only the advantage of spreading terror among all members of the group, but made it possible to punish and destroy the group without necessarily touching the leader if that was for some reason inopportune. Though prisoners were never told exactly why they were imprisoned, those imprisoned as representatives of a group came to know about it. Prisoners were interviewed by the Gestapo to gain information about their relatives and friends. During those interviews prisoners sometimes complained that they were imprisoned while more prominent foes of the Nazis were at liberty. They were told that it was just their bad luck that they had to suffer as members of a group, but if their fate did not teach the group to behave better, they would get a chance to meet them all in the camp.

57. Moreover, the Gestapo saw to it that the rest of the population learned of these "actions" through the newspapers. For purposes of intimidation not all news about the terror of the concentration camps was suppressed. Newspapers were permitted to reprint foreign reports on the concentration camps. The fact that the tortures were planned not only for breaking down the prisoners' ability to resist, but also for intimidating the rest of the population was demonstrated at the beginning of my experience with the Gestapo. When boarding the train for Dachau the SS men butchered several prisoners on an exposed platform. Hundreds of spectators viewed this incident from the windows of adjacent houses.

58. I learned from fellow prisoners how they were used as hostages. They had learned from letters that their release had been promised to their relatives if both prisoner and relatives would behave better, would be more loyal Nazis. The release was again and again postponed with the explanation that some relative was not a "good" Nazi.

59. A further example of (b) above, namely, the concentration camp as a training ground for Gestapo members in which they are so educated as to lose all human emotions, was afforded by the studied arrogance of Gestapo personnel in the presence of prisoners. The Gestapo considered, or pretended to consider, the prisoners the scum of the earth. They insisted that none of them was any better than the others. One of the reasons for this attitude was probably to impress the young guards who received their training in the camp that they were superior to even the most outstanding prisoner and to demonstrate to them that the former foes of the Nazis were now subdued and not worthy of any special attention. If a formerly prominent prisoner had been

treated better, the simple guard would have thought that he is still influential; if he had been treated worse, they might have thought that he is still dangerous. This was in line with the desire to impress the guards that even a slight degree of opposition against the Nazi system led to the destruction of the person who dared to oppose, and that the degree of opposition made no difference in this respect.

60. The fact that these young SS men were not only permitted but encouraged to use former secretaries of state, generals, university professors as their slaves taught them not only to disrespect superiority, but to become convinced of their being "supermen."

61. Tortures were, moreover, such common occurrences in the camp that they no longer evoked any reaction in the guards. To kick and whip prisoners became to them a nearly automatic response. If a prisoner passed a guard he expected to be hit or kicked, since this seemed to be the "conditioned" response of these fledgling "supermen." Finally their daily contact with the undernourished prisoners accustomed them to feel no pity with a starving population.

62. An example of the use of the camp as a laboratory for experimentation in minimum food requirements (conclusion (c) above) were frequent changes in food rations. Bread rations were increased and decreased. On some days no food was distributed, on other days no food other than bread. This was particularly true in Buchenwald where the prisoners' weight was regularly checked.

63. To recapitulate, it is apparent that the concentration camp had an importance reaching far beyond its being a place where the Gestapo took revenge on its enemies. It was the main training ground for young Gestapo soldiers who were planning to rule and police Germany and all conquered nations; it was the Gestapo's laboratory where it developed methods for changing free and upright citizens not only into grumbling slaves, but into serfs who in many respects accepted their masters' values. The "old" prisoners still thought that they were following their own life goals and values, whereas in reality they accepted the Nazis' values as their own.

64. Moreover, what happened in an extreme fashion to the prisoners who spent several years in the concentration camp happened in less exaggarated form to the inhabitants of the big concentration camp which was formerly greater Germany. The system seemed too strong for an individual to break its hold over his emotional life, particularly if he found himself within a group

which had more or less accepted the Nazi system. It seemed easier to resist the pressure of the Gestapo and the Nazis if one functioned as an individual; the Gestapo seemed to know that and therefore insisted on forcing all individuals into groups which they supervised. Some of the methods used for that purpose were the hostage system and the punishment of the whole group for whatever a member of it did; not permitting anybody to deviate in his behavior from the group norm, whatever this norm may be; discouraging solitary activities of any kind, etc. The main goal of the efforts seemed to be to produce in the subjects childlike attitudes and childlike dependency on the will of the leaders. Thus, it was very difficult, if not impossible, for individuals to resist the slow process of personality disintegration produced by the unrelenting pressure of the Gestapo and Nazi system.

65. Further elaboration of the data, statements, and conclusions contained herein is to be found in an article which I wrote for an American publication, the Journal of Abnormal and Social Psychology (1943, Vol. 38, pp. 417–452). An authentic copy of such Article is annexed hereto as Exhibit A and made a part of this affidavit.

[signed] Bruno Bettelheim

Subscribed and sworn to before me this the 10th day of July 1945.
[signed] Edward L. Davis
Notary Public

COPY OF DOCUMENT L–74

COPY

FIELD-MARSHAL MONTGOMERY

Sir,

I would be very grateful, if you would forward this letter to the British Prime Minister, Mr. Vincent [sic] Churchill and to the British Foreign Secretary, Mr. Anthony Eden personally and confidentially. Its contents refers—as you will see—to a message, the Fuehrer gave me before his death.

Yours,
(signed) JOACHIM VON RIBBENTROP

PERSONAL AND CONFIDENTIAL

Sirs,

Radio reports, etc., which I do not quite understand but which, if they were true, would come to it, that former collaborators of the Fuehrer are at present soiling their own house, are trying to depreciate the Fuehrer, falsify his ideas about England, calumniate other former collaborators of his etc., compel me to do, what I really only wanted to do later on: to place myself at the disposal of the British Commander in Chief. I shall do it now. If I did not do so, false impressions owing to unclear or biassed statements or misunderstandings might arise.

If I went during the advance of the British troops in the British occupation zone and not to some other place I did this in the hope of being able to reach you easier—but only at a time when the wars of hatred between victors and vanquished would have calmed down and yielded to evolve reflection and judgment—to inform you about my last political conversation with Adolf Hitler.

This conversation—during which—as so often lately—the Fuehrer's deep disappointment and embitterment about the failure of a political conception was evident, culminated in a kind of last appeal and a message to the leaders of the British Empire. This appeal represents at the same time—one may well say—the last political will of a man, who as a great idealist has loved his people above all, who has lived and fought for his people to his last gasp and in whose conception of the world the English-German question has always been the central point of his political meditations.

I do not know, if the old and noble English custom of fair play is also applicable for a defeated foe. I also do not know if you wish to hear the political testament of a deceased man. But I could imagine that its contents might be adapted to heal wounds, which in the course of this bitter war have been inflicted and I further believe that its ultimate fulfilment might in this perilous epoch of our world be able to help bring about a better future for all people.

As far as I am concerned I have the duty to do everything I can, to fulfill this last wish the Fuehrer has expressed to me and therefore give myself into the hands of the British occupation army.

Should you be willing to give me the opportunity of bringing last conversation with Adolf Hitler to your knowledge, I would be grateful, if I could do this personally and verbally.

If I ask to-day for this interview I feel I should explain to you the following:

(1) I have been—as you know—a close collaborator of the Fuehrer in foreign politics for many years. I have sworn loyalty and faithfulness to him and although I have for a long time already not been able to carry my points and views through with him, I have been a faithful follower of his up to his last hour. It is for this reason and also, because I have always handled ques-

tions of foreign politics and especially the English-German questions with him, that Adolf Hitler has entrusted me with this. What importance he obviously attached to the question also shows the following incident: When during the Russian advance on Berlin I was cut off with my staff at Nauen and owing to the swift encirclement I could not return to the city, I have asked the Fuehrer to allow me and my men to join the army of General Wenk in the battle for the reopening of the encirclement ring or—if the relief of Berlin should prove impossible—I asked for the despatch of a "Storch Airoplane," in order that I might be able to join the Volkssturm in Berlin and fight this last battle at his side. The Fuehrer sent me a message, saying that he appreciated my intention, but as he had already expressed his opinion on former occasions—he did not want me to take part in the fights even now. One needed me later and I should therefore go outside the fighting zone and keep myself ready for further instructions. Such instructions did not come any more, as events began to precipitate. But I know that the Fuehrer in giving that order has meant our last conversation for the passing on of which I should keep myself prepared.

In spite of the diversity of opinion which existed between the Fuehrer and me on foreign politics as well as on questions of world perception [Weltauffassung] I have possessed up to the last the personal confidence of Adolf Hitler. I must attach importance to confirm this. In case anybody should say anything to the contrary it would be false, and there are enough witnesses available for this.

(2) The German foreign policy was in every phase directed by the Fuehrer himself. Its execution was my task. After my appointment to the head of the German Foreign Office I have considered it my business to help the Fuehrer in attaining the justified German claims in Europe—as laid down by Hitler—and this by *diplomatic means.* But at the same time I have considered it just as important to help to adjust the dynamics in the national socialistic doctrine and its principles of world conception [Weltauffassung] with the necessities and possibilities of foreign politics. My work was accordingly concentrated on the following or better on the double aim:

(a) Concentration of the greater part of the Germans in Europe within the Reich and limitation of the German foreign policy to the fulfilment of this aim and

(b) Evolution of the principles of world perception [Weltauffassung] of the party in such a way, that the existence or carrying through of such principles would not endanger or

> even make impossible the peaceful living together and collaboration of Germany with the other nations. This had to do especially with the question of toleration or better adjustment in matters of the churches, in the jewish question, the question of communism, freemasonry, etc., for which I have always pleaded in my verbal reports, memorandums etc. My work to arrive at these two aims was soon overshadowed by the question of world conception [Weltauffassung]. Events in Germany, about which I am not informed in detail, because questions of world conception were always treated separately with the party-authorities concerned, caused a sharp reaction against all disintegrating tendencies in the interior. When after the agreement with Russia 1939, which was due to my influence and by which it was possible for me at least to build a bridge between national socialism and communism the communistic propaganda restarted in Germany, the party took the point of view, that against the totalitarian claim of radical communism only a national socialism just as radical could hold its own. Consequently matters of world perception [Weltauffassung] gained an ever increasing influence on the affairs of state and subsequently also a preponderance to and in questions of foreign policy. In comparison with the question of the maintenance of the unity of the German people, all other considerations became gradually of no more weight. After the outbreak of the war the same influence prevailed in the occupied countries in which movements with similar ideas and doctrines were promoted and carrying the political life and the foreign office was eliminated. About the question of world conception I have had serious divergencies of views and disputes with Hitler, which I presume was also the cause that the Fuehrer never asked me to party meetings, which he held regularly; an influence on these questions from the department of foreign politics has not been possible for some years, but if the Fuehrer had once decided on a matter his policy was always carried out according to the Fuehrer principle.

When German-Russian relations severed and the war with Russia broke out, a development which I as the originator of the German-Russian pact more than regretted, everything was subordinated to the anti-communistic parole.

I only mention these facts to show that for a long time already the Fuehrer had looked upon this war as the war between the

"Weltauffassungen", national and communistic. All other problems f.i. the holding together of the Germanic people, the concert of the European States, whereby territorial questions were always kept open (though the territories occupied by German troops did not fall under the care of my ministry the Fuehrer always agreed with me to keep these questions open with regard to our future policy with Great Britain on the old lines) were always seen under the same aspect. In our last conversation this fundamental idea came again into the foreground, when I remember well—the Fuehrer in talking of the war suddenly turned around to me and said: "You will see, my spirit will arise from my grave and one will see that I have been right".

About one point there has always been entire agreement between the Fuehrer and myself and that was that a strong and united Germany as a preliminary condition, for a stable and flourishing Europe could only exist in the long run by a close collaboration with Great Britain. What the Fuehrer and myself have done, I first alone and then as his envoy, for the realization of this English-German conception during the last quarter of a century is known to all people concerned. I believe, it was very much. I have the intention to lay down the facts in a chronological survey about the development of Foreign policy since 1933. Here I would like to say only this: In spite of all disappointment and embitterment about the repeated English rejection of the German offers the English-German collaboration has to this last hour always been the political creed of the Fuehrer. He has spoken often in vehement terms about British politics, which he did not understand, but everyone who knew the Fuehrer was well aware that it was one of the most outstanding features of his character that—impulse though he was—he never changed his fundamental convictions. For this reason in all those years I worked for him and in all our discussions on foreign politics he always came back to this cardinal point. Every step, political, military etc., during these years was always taken with an eye on this final issue, that is to say to bring Great Britain to terms. To the outside world this may at times not have been recognisable and yet it was so. That England declared war on Germany over the Polish question, a war which we both wanted to avoid by all means and which I tried and almost succeeded to prevent at the last moment, came lastly as a great shock to the Fuehrer.

Now shortly before the bitter end and before his death Hitler has shown himself once more and in spite of his very poor state of health in his old ingenious way. He has with extraordinary clearness quite detached from the events of the day, the war situation and the political combinations given me an extensive survey of the coming developments of world politics, as he saw it. He has in an almost prophetic way pointed out the decisive importance, which in this century of the formation of large combined political areas [grossraumgestaltung] must be attached to English-German relations and herewith also to the relations with the present enemies the U.S.A., Soviet Union, France etc. He said, what after this lost war could be contributed by the German side, to establish a stable balance of power between the big political areas, in order that not again and irresistably new war catastrophes would come over Europe, over the British Empire and over the whole world.

We spoke of Russia and the Fuehrer mentioned the gigantic display of power of the Soviet Union and its doctrines and in this connection he repeatedly referred to the creation of the Red Army by Stalin and called this a "grandiose" deed. And he further said, that "in spite of the divergencies in the Weltauffassung" Germany simply had to come to a good relationship with Soviet Russia, as both people had to live side by side on the long run. We also spoke of Japan, for whom the access to vital raw materials was barred and who had to fight a heavy war for it today. We also spoke at length of the U.S.A. Hitler regretted the war with America, because we had no possible divergencies with this big nation. We had always regretted this war from the beginning and have done everything we could to prevent it even when our ships were being attacked. The Fuehrer said, that good and lasting relations to the U.S.A. absolutely had to be found. Both people Japan and U.S.A. would have to play their part in the balance of power and in the collaboration of the world. But always again during that conversation the Fuehrer came back to the question of the English-German relations in the frame of the European politics with the other powers France, Italy and of this balance of power in the world. It was one of the most harmonious conversations I had had with the Fuehrer for a long time and I was in entire agreement with all his views, as I had for a long time at various occasions been proposing negotiations to finish the bloodshed on such a basis of agreement between all nations. But all tentatives never materialized.

Sirs, you have won the war and you hold all power in your hands. May I, as the last foreign minister of a defeated nation and as a man, who in spite of all bitterness of war and of all untruths about his alleged antagonism or "hatred" of England, has always considered England as his second home and who has always wanted the English-German alliance just as much as the Fuehrer himself, point out this:

An enormous to me not comprehensible wave of hatred is at present overwhelming the defeated German nation. When England at a time was in a difficult position, when it was after all within the possibility that England might not win this war, it was in summer 1940 at headquarters of the western front, the Fuehrer spoke to me of the coming peace with Great Britain, "a peace, which—as he said—must never in any way violate England's prestige and esteem in the world" and "with the English-German peace a full alliance for life and death should be found between the two great nations." Only restitution of one or two of the German colonies should be agreed upon as a just German claim. That was all and I fully agreed with the Fuehrer. In comparison with this today concentration camps are taken as the cause of a very serious campaign against the German people. With regards to the fact that everything what is to-day said about this subject by a German is at once taken up by publicity it is difficult for me to say anything at all on this question. But in this letter which is meant personal and confidential I would like to say this: Any inhuman treatment of a prisoner is an impossible way of acting and every decent German will like me deplore such acts and condemn them wholeheartedly. I want to say this emphatically and furthermore clear up one point: Neither I nor, I am certain, most of my colleagues in the former government had any idea, what was happening in concentration camps, in what conditions they were, whether any misdeeds were committed there, as daily Radio reports are saying. This may perhaps surprise, but for a person acquainted with our government system this is quite comprehensible. When once I heard from a diplomatic report that ill-treatment of Jews in a concentration camp in Poland was discussed vehemently in diplomatic circles abroad, I took the report at once to the Fuehrer urging immediate change, if it were true. The Fuehrer kept the report to look into the matter but gave me clearly to understand that this was a question of the interior authorities. I do indeed not write this down here with the intention to lay down responsibilities but only because it is the simple truth. But I ask myself, can one charge a whole nation with such excesses committed by individuals, as is being done now, excesses which I believe have occurred in the history of all nations? As far as my attitude is concerned in the question of prisoners, I presume this has become known to everybody during the war, during which I have stood up for the carrying out of the Geneva Convention and more until the last day, an attitude which has been of vital importance for the prisoners of all nations who fought against us, American, English, Russian, French, etc.

I remember in this connection a conversation with the Fuehrer in which he made a comparison with the treatment of the national socialists during the time before 1933 by the former government and the treatment of his political opponents after 1933. This government had put him and his men in prison whereas he was paying his opponents, former social-democrats, like Severing, Noskie, etc. good pensions etc.

A few days ago it was published that the Wehrmacht had not fought honourably and that the German people would have to learn decency again.

Sirs, can one say this of a defeated enemy, who has fought bravely and of a people who have made superhuman efforts for their country and have lost everything? Can one put down Germans who as patriots—a characteristic, which surely makes every Englishman, every member of a decent nation proud—have only done their duty towards their country—as war criminals and punish them as such? I would like to appeal to the generosity of the victors.

In finishing this letter, for the length and English of which I must ask your indulgence I would like to say this:

I have been a patriot all my life. I have placed myself at the disposal of Adolf Hitler in the desire to help him to save our country from ruin in 1933 and to build up a strong and united Germany in Europe and simultaneously to attain the English-German alliance without war, that is to say by way of diplomatic negotiations. This was my very clear aim. As far as questions of "Weltauffassung" are concerned I always was an opponent to the radical party programme. I have always opposed the policy against Jews, churches, freemasons, etc., which I considered in principle a fault and which has caused tremendous difficulties in foreign politics. This my attitude was known not only the Fuehrer. When very much against my will, war broke out after all, I have from that day of course taken an attitude of hard determination and complete conviction in the German victory for internal and external reasons. This attitude was also known. But this attitude has not prevented me, to continuously keep an eye on the question of an arrangement with the enemies, in order to seize the first occasion for a peace feeler. In my more intimate conversations with the Fuehrer I continuously placed this point before him and stressed him to allow me to do something about it, but he, after the fruitless attempt for peace in the Reichstag 1940, was sceptical about my plans and endeavors in this direction. In spite of various confidential peace tentatives there has (owing to the uncompromising attitude of the enemy) never been a serious occasion to end this war. The war is lost for Germany. In spite of this fact I am of the holy conviction, that the bringing about of a real friendship between the English and the German people is a fundamental necessity, if both nations will live on the long run. The Fuehrer was of the same opinion and has therefore entrusted me with the mission to inform you—if possible, about his reasons and ideas concerning this collaboration and the quite new form, which in his opinion should be found for it. In order to fulfill this last mission I lay my fate into your hands.

(signed) JOACHIM VON RIBBENTROP

I would be grateful, if this letter could not be published. I will ask field-marshal Montgomery to send it to you under "personal and confidential".

TRANSLATION OF DOCUMENT L-79

Top Secret
To be transmitted by officer only

Minutes of a Conference on 23 May 39

Place: The Fuehrer's Study, New Reich Chancellery.
Adjutant on duty: Lt-Col. (G.S.) Schmundt.
Present: The Fuehrer, Field-Marshal Goering, Grand-Admiral Raeder.
Col-Gen. von Brauchitsch, Col-Gen. Keitel, Col-Gen. Milch, Gen. (of Artillery) Halder, Gen. Bodenschatz, Rear-Adml. Schniewindt, Col. (G.S.) Jeschonnek, Col. (G.S.) Warlimont, Lt.-Col. (G.S.) Schmundt, Capt. Engel (Army), Lieut-Comd. Albrecht, Capt. v. Below (Army).

Subject: Indoctrination on the political situation and future aims.

The Fuehrer defined as the purpose of the conference:

1. Analysis of the situation.
2. Definition of the tasks for the Armed Forces arising from the situation.
3. Exposition of the consequences of those tasks.

4. Ensuring the secrecy of all decisions and work resulting from these consequences.

Secrecy is the first essential for success.

The Fuehrer's observations are given in systematized form below.

Our present situation must be considered from two points of view:

1. The actual development of events between 1933 and 1939;
2. The permanent and unchanging situation in which Germany lies.

In the period 1933-1939, progress was made in all fields. Our military situation improved enormously.

Our situation with regard to the rest of the world has remained the same.

Germany had dropped from the circle of Great Powers. The balance of power had been effected without the participation of Germany.

This equilibrium is disturbed when Germany's demands for the necessities of life make themselves felt, and Germany re-emerges as a Great Power. All demands are regarded as "Encroachments". The English are more afraid of dangers in the economic sphere than of the simple threat of force.

A mass of 80 million people has solved the ideological problems. So, too, must the economic problems be solved. No German can evade the creation of the necessary economic conditions for this. The solution of the problems demands courage. The principle, by which one evades solving the problems by adapting oneself to circumstances, is inadmissible. Circumstances must rather be adapted to aims. This is impossible without invasion of foreign states or attacks upon foreign property.

Living space, in proportion to the magnitude of the state, is the basis of all power. One may refuse for a time to face the problem, but finally it is solved one way or the other. The choice is between advancement or decline. In 15 or 20 years' time we shall be compelled to find a solution. No German statesman can evade the question longer than that.

We are at present in a state of patriotic fervour, which is shared by two other nations: Italy and Japan.

The period which lies behind us has indeed been put to good use. All measures have been taken in the correct sequence and in harmony with our aims.

After 6 years, the situation is today as follows:

The national-political unity of the Germans has been achieved, apart from minor exceptions. Further success cannot be attained without the shedding of blood.

The demarkation of frontiers is of military importance.

The Pole is no "supplementary enemy". Poland will always be on the side of our adversaries. In spite of treaties of friendship, Poland has always had the secret intention of exploiting every opportunity to do us harm.

Danzig is not the subject of the dispute at all. It is a question of expanding our living space in the East and of securing our food supplies, of the settlement of the Baltic problems. Food supplies can be expected only from thinly populated areas. Over and above the natural fertility, thoroughgoing German exploitation will enormously increase the surplus.

There is no other possibility for Europe.

Colonies: Beware of gifts of colonial territory. This does not solve the food problem. Remember—blockade.

If fate brings us into conflict with the West, possession of extensive areas in the East will be advantageous. Upon record harvests we shall be able to rely even less in time of war than in peace.

The population of non-German areas will perform no military service, and will be available as a source of labour.

The Polish problem is inseparable from conflict with the West.

Poland's internal power of resistance to Bolshevism is doubtful. Thus Poland is of doubtful value as a barrier against Russia.

It is questionable whether military success in the West can be achieved by a quick decision, questionable too is the attitude of Poland.

The Polish government will not resist pressure from Russia. Poland sees danger in a German victory in the West, and will attempt to rob us of the victory.

There is therefore no question of sparing Poland, and we are left with the decision:

To attack Poland at the first suitable opportunity.

We cannot expect a repetition of the Czech affair. There will be war. Our task is to isolate Poland. The success of the isolation will be decisive.

Therefore, the Fuehrer must reserve the right to give the final order to attack. There must be no simultaneous conflict with the Western Powers (France and England).

If it is not certain that a German-Polish conflict will not lead to war in the West, then the fight must be primarily against England and France.

Fundamentally therefore: Conflict with Poland—beginning with an attack on Poland—will only be successful if the Western Powers keep out of it. If this is impossible, then it will be better to attack in the West and to settle Poland at the same time.

The isolation of Poland is a matter of skilful politics.

Japan is a weighty problem. Even if at first for various reasons her collaboration with us appears to be somewhat cool and restricted, it is nevertheless in Japan's own interest to take the initiative in attacking Russia in good time.

Economic relations with Russia are possible only if political relations have improved. A cautious trend is apparent in Press comment. It is not impossible that Russia will show herself to be disinterested in the destruction of Poland. Should Russia take steps to oppose us, our relations with Japan may become closer.

If there were an alliance of France, England and Russia against Germany, Italy and Japan, I would be constrained to attack England and France with a few annihilating blows. The Fuehrer doubts the possibility of a peaceful settlement with England. We must prepare ourselves for the conflict. Englands sees in our development the foundation of a hegemony which would weaken England. England is therefore our enemy, and the conflict with England will be a life-and death struggle.

What will this struggle be like?

England cannot deal with Germany and subjugate us with a few powerful blows. It is imperative for England that the war should be brought as near to the Ruhr basin as possible. French blood will be spared (West Wall). The possession of the Ruhr basin will determine the duration of our resistance.

The Dutch and Belgian air bases must be occupied by armed force. Declarations of neutrality must be ignored. If England and France intend the war between Germany and Poland to lead to a conflict, they will support Holland and Belgium in their neutrality and make them build fortifications, in order finally to force them into cooperation.

Albeit under protest, Belgium and Holland will yield to pressure.

Therefore, if England intends to intervene in the Polish war, we must occupy Holland with lightning speed. We must aim at securing a new defense line on Dutch soil up to the Zuider Zee.

The war with England and France will be a life-and-death struggle.

The idea that we can get off cheaply is dangerous; there is no such possibility. We must burn our boats, and it is no longer a question of justice or injustice, but of life or death for 80 million human beings.

Question: Short or long war?

Every country's armed forces or government must aim at a short war. The government, however, must also be prepared for a war of 10-15 years' duration.

History has always shown that the people have believed that wars would be short. In 1914, the opinion still prevailed that it was impossible to finance a long war. Even today this idea still persists in many minds. But on the contrary, every state will hold out as long as possible, unless it immediately suffers some grave weakening (e.g. Ruhr basin). England has similar weaknesses.

England knows that to lose a war will mean the end of her world power.

England is the driving force against Germany. Her strength lies in the following:

1. The British themselves are proud, courageous, tenacious, firm in resistance and gifted as organizers. They know how to exploit every new development. They have the love of adventure and bravery of the Nordic race. Quality is lowered by dispersal. The German average is higher.

2. World power in itself. It has been constant for 300 years. Extended by the acquisition of allies. This power is not merely something concrete, but must also be considered as a psychological force, embracing the entire world. Add to this immeasurable wealth, with consequential financial credit.

3. Geopolitical safety and protection by strong sea power and a courageous air force.

England's weaknesses:

If in the World War I we had had two battleships and two cruisers more, and if the battle of Jutland had begun in the morning, the British fleet would have been defeated and England brought to her knees. It would have meant the end of World War. It was formerly not sufficient to defeat the fleet, landings had to be made in order to defeat England. England could provide her own food supplies. Today that is no longer possible.

The moment England's food supply routes are cut she is forced to capitulate. The import of food and fuel depends on the fleet's protection.

If the German Air Force attacks English territory, England will not be forced to capitulate in one day. But if the fleet is destroyed, immediate capitulation will be the result.

There is no doubt that a surprise attack can lead to a quick decision. It would be criminal, however, for the government to rely entirely on the element of surprise.

Experience has shown that surprise may be nullified by:—

1. Betrayal from the wider circle of military experts.
2. Mere chance, which may cause the collapse of the whole enterprise.
3. Human incompetence.
4. Weather conditions.

The final date for striking must be fixed well in advance. Beyond that time the tension cannot be endured for long. It must be borne in mind that weather conditions can render any surprise intervention by Navy and Air Force impossible.

This must be regarded as a most unfavourable basis of action.

1. An effort must be made to deal the enemy a significant or the final decisive blow right at the start. Considerations of right and wrong, or treaties, do not enter into the matter. This will only be possible if we are not involved in a war with England on account of Poland.

2. In addition to the surprise attack, preparations for a long war must be made, while opportunities on the Continent for England are eliminated.

The army will have to hold positions essential to the Navy and Air Force. If Holland and Belgium are successfully occupied and held, and if France is also defeated, the fundamental conditions for a successful war against England will have been secured.

England can then be blockaded from Western France at close quarters by the Air Force, while the Navy with its submarines can extend the range of the blockade.

Consequences:

England will not be able to fight on the Continent;

Daily attacks by the Air Force and Navy will cut all her lifelines;

Time will not be on England's side;

Germany will not bleed to death on land.

Such strategy has been shown to be necessary by World War I and subsequent military operations. World War I is responsible for the following strategic considerations which are imperative:

1. With a more powerful Navy at the outbreak of the War, or a wheeling movement by the Army towards the Channel ports, the end would have been different.

2. A country cannot be brought to defeat by an Air Force. It is impossible to attack all objectives simultaneously and the lapse of time of a few minutes would evoke defensive counter-measures.

3. The unrestricted use of all resources is essential.

4. Once the army, in cooperation with the Air Force and Navy, has taken the most important positions, industrial production will cease to flow into the bottomless pit of the Army's battles and can be diverted to benefit the Air Force and Navy.

The Army must therefore be capable of taking these positions. Systematic preparation must be made for the attack.

Study to this end is of the utmost importance.

The aim will always be to force England to her knees.

A weapon will only be of decisive importance in winning battles, so long as the enemy does not possess it.

This applies to gas, submarines and the Air Force. It would be true of the latter for instance, as long as the English Fleet had no available counter-measures; it will no longer be the case in 1940 and 1941. Against Poland, for example, tanks will be effective, as the Polish Army possesses no counter-measures.

Where straight forward pressure is no longer considered to be decisive, its place must be taken by the elements of surprise and by masterly handling.

This is the plan of attack.

The plan demands:—

1. A correct estimate of weapons and their effectiveness:— e.g. (*a*) Battleship or aircraft carrier; which is the more effective? Individually or considered as a whole? The aircraft carrier is the better protection for a convoy.

(*b*) Is air attack more important on a factory than on a battleship? Where are bottle-necks in production located?

2. Immediate preparedness on the part of the Army. The Army must move straight from its peace stations to overrun neighboring states. [Literally: Neighbouring states must be overrun direct from barracks.]

3. A study of the enemy's weak points.

These studies must not be left to the General Staffs. Secrecy would no longer be guaranteed.

The Fuehrer has therefore decided to order the formation of a small planning staff at OKW. It will keep the Fuehrer informed and report to him.

The planning staff is responsible for the planning of operations on the highest level, and of the technical preparations and organization necessarily required by the decision taken.

The purpose of certain regulations concerns no-one outside the staff.

However great are the increases in the armaments of our adversaries, they must, at some time, come to the end of their resources, and ours will be greater. French recruiting—120,000 men in each age class.

We shall not be forced into a war, but we shall not be able to avoid one.

Secrecy is the decisive requirement for success. Our object must be kept secret even from Italy or Japan. The break-through through the Maginot line is still a possibility for Italy, and must be studied. The Fuehrer considers that such a break-through is possible.

The close combination of the services, for the study of the problem in its entity, is important.

The object:

1. Study of the problem in its entity.
2. Study of the procedure.
3. Study of the necessary requirements.
4. Study of the necessary training.

The staff must include men with great imaginative power and the best technical knowledge, as well as officers of sober and sceptical judgment.

Working principles:

1. No one must be admitted who is not concerned.

2. No one may know more than it is necessary for him to know.

3. When must the person concerned know, at latest? No one may know of a matter earlier than is necessary for him to know of it.

At the request of Field Marshal Goering, the Fuehrer decrees that:

a. The various services shall decide what construction is to be undertaken.

b. There shall be no alterations in the shipbuilding program.

c. The armaments programs are to be considered with regards to 1943 or 1944.

Certified correct record
(Sgd) Schmundt, Lt Col.

1933 PREUSSISCHE GESETZSAMMLUNG, Page 122

Law concerning the Establishment of a Secret State Police Office of April 26, 1933

The State Ministry has resolved on the following Law:

Section 1

(1) The Secret State Police Office, with headquarters in Berlin, is established in order to carry out the duties of the political police along with or in place of the regular police authorities (Section 2, paragraph 1 of the Code of Police Administration of June 1, 1931, Gesetzsammlung p. 77). The Secret State Police Office has the rank of a provincial police authority [Landespolizeibehoerde] and is directly subordinate to the Minister of the Interior.

(2) The Minister of the Interior determines the functional and territorial jurisdiction of the Secret State Police Office.

(3) The regulations of the Code of Police Administration of June 1, 1931 concerning appeals against orders of the provincial police authorities are applicable insofar as the District Administrative Court in Berlin always has jurisdiction over appeals in administrative lawsuits against orders of the Secret State Police Office.

Section 2

Within its jurisdiction, the Secret State Police Office can make requests to all police authorities for police action.

Section 3

The Minister of the Interior issues those regulations necessary for the execution of this law. He acts in conjunction with the Minister of Finance in the case of regulations concerning the number and type of officials and employees who are to be assigned to the Secret State Police Office.

Section 4

The law goes into effect on the day after its promulgation.

Berlin, 24 April, 1933

The Prussian Ministry of State

[seal] Goering

also for the Minister of the Interior

Popitz

The above law, resolved by the Prussian State Ministry, is herewith promulgated.

Berlin, 26 April, 1933

For the Reich Chancellor:

The Prussian President of the Ministerial Council

Goering

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1933 PREUSSISCHE GESETZSAMMLUNG, PAGE 413

Law on the Secret State Police
of November 30, 1933

The State Ministry has resolved the following law:

Section 1

(1) The Secret State Police is an independent branch of the Administration of the Interior. The President of the Ministerial Council is its chief. He puts an Inspector of the Secret State Police in charge of current affairs.

(2) In case of absence, the State Secretary of the State Ministry acts as deputy for the President of the Ministerial Council in his capacity as Chief of the Secret State Police.

(3) The Inspector of the Secret State Police is also the chief of the Secret State Police Office.

Section 2

The jurisdiction of the Secret State Police covers all political police matters of the authorities of the general and interior administration. The President of the Ministerial Council, as Chief of the Secret State Police, will determine those particular matters which must be transferred to the Secret State Police.

Section 3

(1) With the enactment of this law the Secret State Police Office takes over those activities of the political police which were previously handled by the Ministry of the Interior.

(2) In matters concerning the Secret State Police the provincial, county and local police authorities are to comply with the directives of the Secret State Police Office.

Section 4

The Minister of Finance is empowered to make changes in the budget of the State, in order to carry out this law.

Section 5

Provisions of the law of April 26, 1933 (Gesetzsammlung 1933, p. 122) which conflict with this law are superseded by this law.

Section 6

This law goes into effect on the day of its promulgation.

Berlin, 30 November 1933

The Prussian State Ministry
[Seal] Goering
also as Minister of the Interior
Popitz

The above law, resolved by the Prussian State Ministry, is herewith promulgated.

Berlin, 30 November, 1933

For the Reich Chancellor:
The Prussian President of the Ministerial Council
Goering

1936 PREUSSISCHE GESETZSAMMLUNG, PAGES 21-22

Law Concerning the Secret State Police of 10 February, 1936

The State Ministry resolved on the following law:

Section One

(1) The Secret State Police has the duty to investigate and to combat, in the entire territory of the State, all efforts inimical to the State. Furthermore, it has the duty to collect and evaluate the result of the investigations, to inform the government of the State, and to keep other authorities informed of results of significance to them and make suggestions to them. The Chief of the Secret State Police will determine, in conjunction with the Minister of the Interior, which particular duties should be transferred to the Secret State Police.

(2) The jurisdiction of the organs of the regular administration of justice is not affected.

Section Two

(1) The President of the Ministerial Council is the Chief of the Secret State Police.

(2) The Deputy Chief of the Secret State Police appointed by the Chief takes charge of the official business for him.

Section Three

(1) The Secret State Police Office is the highest provincial authority [Landesbehoerde] of the Secret State Police. This office also has the powers of a provincial police authority.

(2) The Secret State Police Office has its seat in Berlin.

Section Four

On the provincial level [Mittelinstanz] the duties of the Secret State Police are performed by the State Police Offices for the individual provincial police districts. The duties of the Secret State Police at the border are performed by special border police agents. Otherwise the tasks of the Secret State Police are executed by the county and local police authorities in their capacity as auxiliaries of the State Police Offices.

Section Five

The State Police Offices are also subordinate to the competent Provincial Governors [Regierungspraesidenten]. They must follow the directives of the latter and inform them about all police affairs which are of a political nature. The Chiefs of the State Police Offices are also political consultants of the Provincial Governors [Regierungspraesidenten].

Section Six

The Chief of the Secret State Police, in conjunction with the Minister of the Interior appoints and dismisses the officials of the Secret State Police according to the general Reich legal provisions for the appointment and dismissal of provincial officials.

Section Seven

Orders and matters of the Secret State Police are not subject to the review on the part of the administrative courts.

Section Eight

The Chief of the Secret State Police, in conjunction with the Minister of the Interior, will issue the regulations for the execution of this law.

Section Nine

The law on the establishment of a Secret State Police Office of 26 April 1933 (Gesetzsammlung 1933 p. 122), the Law on the Secret State Police of 30 November 1933 (Gesetzsammlung 1933 p. 413), and sections one to three of the Decree for the Execution of the Law on the Secret State Police of 8 March 1934 (Gesetzsammlung p. 143), are abolished.

Section Ten

This law takes effect on the day following its promulgation.

Berlin, 10 February 1936
The Prussian State Ministry
[Seal] Goering Frick

With the agreement of the Reich Cabinet I promulgate, in the name of the Reich, the above law for the Fuehrer and Reich Chancellor

Berlin, 10 February 1936
The Prussian President of the Ministerial Council
Goering

1936 PREUSSISCHE GESETZSAMMLUNG PAGE 22

Decree for the Execution of the Law on the Secret State Police of 10 February 1936

The following is decreed on the basis of Sections One and Eight of the Law on the Secret State Police of 10 February 1936 (Gesetzsammlung 1936, p. 21):

Section One

The Secret State Police has the authority to make police investigations in high treason and treason cases and in cases involving explosives (Sprengstoffsachen) and in other cases of criminal attacks on Party and State.

Section Two

1. The Secret State Police Office has the authority to enact, within the jurisdiction of the Secret State Police, measures within the entire area of the Province and measures affecting the entire area of the province.

2. The Secret State Police Office takes care of the authorized powers of the highest provincial authority in matters concerning the Lawson Fire-arms and Munition of 13 July 1928 (RGB I, p. 198).

3. The Secret State Police Office is the central office for collecting political-police intelligence.

4. The Secret State Police Office administers the concentration camps of the State.

* * * * * * *

Berlin, 10 February 1936
President of the Prussian Ministerial Council
Goering
The Reich and Prussian Minister of the Interior
Frick.

COPY OF DOCUMENT L-83

City of Washington }
District of Columbia } ss:

Gerhart H. Seger being first duly sworn deposes and says:

1. I was born in Leipzig, Germany, in 1896 and lived there until my induction into the German Army in 1915. I was successively attached to the Cavalry, Infantry and Air Force, and concluded my military service as a pilot in the German Air Force. I experienced a considerable amount of combat flying duty, was shot down over France in August 1918. I received several decorations, one of which was the highest medal awarded by the Austrian government. Following my demobilization from the Army I attended Leipzig University where I received a degree in journalism in March 1920. Thereafter, I became editor of a newspaper in Berlin in the period 1920-1923. After that I held a position with the German Peace Society until 1928, edited a paper in Dessau during the period 1928-1933, and was elected to the Reichstag in 1930.

2. During the period after World War I, up until my commitment to the Leipzig jail and Oranienburg concentration camp in the spring of 1933 following the Nazis' accession to power in January of that year, my business and political affiliations exposed me to the full impact of the Nazi theories and practice of violent regimentation and terroristic tactics. My conflicts with the Nazis by virtue of my identification with the peace movement, and as a duly elected member of the Reichstag representing a political faith (Social Democratic Party) hostile to National Socialism, clearly demonstrated that, even in the period prior to 1933, the Nazis considered crimes and terrorism a necessary and desirable weapon in overcoming democratic opposition. The knowledge acquired as a result of these personal experiences during the period eventuating in successful culmination of the Nazis' efforts to seize power led me to a realization of some of the fundamental purposes and objectives which that group sought to accomplish by the systematic adoption of these tactics. The lapse of time attested the validity of that realization. While rarely openly articulated during the period embraced by my personal knowledge, the overt actions and studied practices of the Nazis could be directed to only one goal; namely, the perfection of rigid control over Germany as a preliminary step to dominance in Europe, and, possibly, eventual world hegemony. At that time the basic pattern was in process of formulation. The following aspects of that pattern were evidenced by the actions of the Nazis which came within the scope of my personal experience:

(*a*) Destruction of political resistance to the Nazi ideology by terrorizing, confining, and destroying democratic opposition elements.

(*b*) Division of German citizenry on a racial basis and discrimination against those who were adjudged not to be of German blood.

(*c*) Unlawful appropriation, spoliation, and forced sale of property for the personal enrichment of Nazis and for the purpose of establishing, solidifying, and maintaining internal control in Nazi hands.

(*d*) Destruction of racial minorities and political opponents through systematic underfeeding, deprivation of a livelihood, clothing, shelter, food and medical care; deportation of forced labor; work under inhumane conditions.

While the attainment of power was a necessary condition to the full flowering of the Nazi criminal and terroristic methodology, the outcroppings of such a policy were visible in the years preceding 1933. Specific overt acts, within the scope of my personal knowledge, which evidence the Nazis' belief at that time that the use of force, regimentation, and terrorism was necessary to the accomplishment of their purposes, are included in this statement.

3. In 1923 my interest in the German peace movement induced me to accept the position of Secretary General of the Deutsche Friedensgesellschaft which was the leading organization within Germany advocating compliance with the terms of the Treaty of Versailles on the part of Germany. At that time the important policy issue before the German public was whether Germany should conscientiously fulfill its obligations under the Treaty of Versailles with a view to obtaining its gradual revision in a peaceful manner or whether there should be a concerted, albeit clandestine, effort to sabotage the Treaty. The Peace Society with which I became affiliated advocated adherence on the part of Germany to the Treaty of Versailles and a policy of reconciliation with former allies. Espousal of these principles enabled this organization to make a substantial contribution to the cause of peace. Its president, Dr. Ludwig Quidde, the Historian of Munich University, was awarded the Nobel Peace Prize in 1925. In its opposition to clandestine militarism the tenets of this organization were diametrically opposed to the principles and practices of the National Socialist Party. The latter party and sympathetic militaristic interests evolved the theory of the "unreality of defeat" and that "our armies were not beaten" as a basis for the doctrine that since the conclusion of the war a shame and disgrace had befallen Germany which could only be rectified by a great sacrifice, eventually, a war. Thus, the ideological predicate was laid for a vehement militarism on the part of these groups.

4. The antagonism of the followers of Hitler to my organization was dramatically demonstrated on numerous occasions when meetings of the Peace Society were broken up and terrorized by shock-troops and SA units. A number of examples are given below:

(*a*) One such occasion relates to a meeting in Essen in May 1923. At that time France had occupied the Ruhr Basin as a result of Germany's default on her Treaty obligations. While the German government had instructed the population of that territory to refrain from any acts of violence, the Nazi Party organized groups of saboteurs to create unrest and stimulate violence. The best known leader of the saboteurs was a soldier of fortune by the name of Leo Schlageter who subsequently was sentenced to death by a French military court and executed. In its program of supporting the government the German Peace Society arranged for a number of meetings in that territory to impress upon the population the necessity for an attitude of understandings. I was scheduled as the principal speaker at one of these meetings which was held in Essen during the month of May, 1923, attended by an audience of several thousands of persons. Before the meeting got underway an organized Nazi group strong-armed their way to the platform with the announced purpose of attacking me, but were prevented from reaching the stage by local police. However, they assaulted a number of participants of that meeting and succeeded in creating such a disturbance that the meeting had to be adjourned.

(*b*) Another such occurrence took place in the spring of 1925, at Siegen, Westphalia, where a meeting was scheduled to take place at the municipal auditorium. Shortly before the meeting a large group of the SA gained entrance to the building and occupied the front part of the auditorium. The presiding officer of the meeting was to be the chairman of the local branch of the German Peace Society who was a war veteran having lost both of his legs. While I was accompanying him slowly from the railroad depot toward the municipal auditorium, we were overtaken by storm troopers who were discussing their plans to prevent this meeting from being carried out. We also heard that both the chairman of the meeting and I, as the speaker, were to be beaten up and forced out of town. Nevertheless, we proceeded to the auditorium and I began my address which was constantly interrupted by cat calls and insulting remarks. Finally the Nazis arose as a group and tried to storm the stage. However, they were prevented from doing so by Prussian State Police who had appeared in sufficient numbers to thwart the attempt. This rowdyism necessitated premature adjournment of the meeting by the Chief of Police. The chairman of the meeting was escorted to his house by the police and a guard accompanied me to the railroad depot.

(*c*) On one occasion during the period of my association with the German Peace Society I wrote and caused to be published a pamphlet or monograph on the subject of the "Black Reichswehr." This was a commentary on the methods pursued by the Reichswehr in seeking to evade the terms of the Treaty of Versailles. Shortly after this document was distributed the Nazi press, including Hitler's own newspaper, "Voelkischer Beobachter," demanded my indictment for treason. Prior to the publication of this pamphlet the Pact of the Locarno had been signed and the allied forces withdrew their Army of Occupation, thus leaving to Germany the fulfillment of the Versailles Treaty without formal Allied supervision. The violent criticism to which this document was subjected evidenced the open hostility of the Nazis to any program contemplating the revision of the Treaty of Versailles by peaceful or legal methods.

(*d*) The foregoing represents examples of the tactics and attitude of the Nazis with reference to the German Peace Society. It, of course, exemplified their attitude toward any person or organization which stood for adherence to the Treaty of Versailles and the restraint of German militarism. It is not necessary for me to relate further specific examples of the terroristic methods to which I was exposed during the period of my connection with this Society. The foregoing instances were repeated many times. These events made it apparent that the Peace Society would thereafter be ineffective in combatting the militaristic trend which had the silent support of the Reichswehr and the open espousal of the Nazis as well as the Conservative-Nationalist Party led by Dr. Hugenberg. Therefore, I left my position with the German Peace Society and returned to my journalistic profession. I became the editor of a daily social democratic newspaper, the "Volksblatt", published in Dessau, Anhalt.

5. The former Dukedom of Anhalt was part of the Reichstag Constituency No. 10, Magdeburg-Anhalt. I was selected by the Social Democratic Party of the Constituency as one of its candidates for membership in the Reichstag, and ran for election which took place on the 14th of September 1930. I was elected at that time. This was the first election in which the Nazis made substantial gains, having increased their number of representatives in the Reichstag from 13 to 107. During the campaign Nazi terrorism was prevalent in those Constituencies in which they were desirous of making a showing or where they thought they had a chance of winning. In this election Himmler was one of my competitors; also General von Seeckt, who, although not a candidate of the Nazi Party, had earned the support of the Nazis by virtue of his militaristic views. These leaders received sufficient votes for election under the system of proportional representation. Himmler's candidacy made the result of the election in this district a question of party prestige. One of the means employed by the Nazis to insure a particular success in that district was to bring in prominent outside speakers of their Party together with an imposing detachment of storm troopers. They not only followed this strategy in meetings arranged for their own speakers where storm troopers prevented anyone connected with the opposition from taking the floor, but they also sent speakers

into meetings of other political parties accompanied by many storm troopers, often physically taking over the meeting. One particular meeting which the Nazis tried to take over physically was held during that campaign in the city of Raguhn in Anhalt. The meeting was called by the Social Democratic Party and I was the principal speaker. The Nazis brought with them, as speaker, the leading SA officer and Gauleiter of the Province of Silesia, Edmund Heines. As soon as Heines was given the floor to reply to my address, the storm troopers advanced toward the stage and made preparations to take the meeting over. The State Police of Anhalt, however, was represented in sufficient strength to forestall that audacious attempt.

6. Another meeting during that campaign took place in the City of Aschersleben where the Nazis brought in as their speaker Roland Freisler who later became the Minister of Justice in the Nazi government of Prussia. Freisler brought with him such a large detachment of storm troopers, some of whom were armed with pistols and clubs, that they succeeded in forcibly excluding everybody not in sympathy with their views, and thus concluded as their own meeting the one which had been called by the Social Democratic Party.

7. As in the case of terroristic tactics manifested in connection with meetings of the Peace Society, the foregoing incidents are representative of the systematic practices of the Nazis with reference to their political opponents. These violent tactics, repeated many times, are thus demonstrated to have constituted an integral aspect of their political creed. Always the first endeavor of this method was to transmute political dispute into physical combat, and thus to rely on superior fighting technique and brutality as a method of achieving success in the public forum.

8. Even in the actual deliberations of the Reichstag the Nazis resorted to the same ruthless procedures. Here again they sought to destroy parliamentary government and attain their ends by a display of aggression and the use of oppressive methods. Illustrative of their actions within the halls of the Reichstag are the following:

(*a*) On the 14th of September 1930, 107 Nazi members of the Reichstag were elected out of a total membership of 524. This group of 107 Nazi members conducted themselves like a storm troop unit. Whenever representatives of the government or the democratic parties spoke the Nazi members marched out in a body in studied contempt of the speaker, or entered in a body to interrupt the speaker, thus making it physically impossible for the Reichstag President to maintain order.

(*b*) According to the rules of the Reichstag a limited speaking time was accorded to each speaker depending upon his place in the debate. The speaker of the house was charged with maintaining that schedule. It was one of the favorite tactics of the Nazis to disrupt the schedule by a noisy demonstration whenever one of their own speakers ran overtime and was cut off by the Reichstag President. On such occasions, the Nazis created such a bedlam that the President could not make himself heard. Similarly, in the case of speakers of opposition parties, the Nazi members constantly interrupted, often resorting to lengthy and spurious parliamentary maneuvers, with the result that the schedule of the session was thrown out of gear.

(*c*) The tactics of disturbance of parliamentary proceedings employed by the Nazis finally culminated in physical attacks upon members of the house as well as visitors. At one time in 1932 a visitor, Helmuth Klotz, who came to call on a democratic member of the house was physically attacked by the Nazis. Klotz had been a well-known submarine commander in the German Navy in World War I and, as an ardent supporter of the republic, had publicly opposed a policy of secretly rearming Germany thus incurring the wrath of the Nazi Party. He was attacked in a corridor of the Reichstag Building by Heines and other Nazi members of the house, and, when democratic members of the house came to his rescue, the Nazis called more of their members to press the assault until the Reichstag President found it necessary to call the police to restore order.

(*d*) The Nazi members who were the greatest offenders in disrupting the proceedings and in employing oppressive tactics were Joseph Goebbels, Robert Ley, Alfred Rosenberg, Erich Koch, Edmund Heines, Hans Frank, Fritz Terboven and others whose names I do not recall.

(*e*) That the Nazis had already conceived the device of the concentration camp as a means of suppressing and regimenting opposition elements was forcefully brought to my attention during the course of a conversation which I had with Dr. Wilhelm Frick in December 1932. Frick at that time was Chairman of the Foreign Affairs Committee of the Reichstag of which I was a member. When I gave an emphatic answer to Frick concerning the particular matter discussed, he replied, "Don't worry, when we are in power we shall put all of you guys into concentration camps." When the Nazis came into power Frick was appointed Reichsminister of Interior and promptly carried out his threat in collaboration with Goering, as Chief of the Prussian State Police, and Himmler.

(*f*) Early in July 1932 the Reichstag was dissolved and elections scheduled for the 31st of July. Again the Nazis manifested their contempt for democratic processes by the increased use of force during the course of the campaign. Interruption of meetings, heckling and beating of democratic speakers, and general terroristic practises were resorted to in full measure during that campaign. I was again re-elected to the Reichstag at the conclusion of the campaign. It was far more difficult at that time to obtain adequate protection from the Prussian State Police for the reason that the Papen-Putsch of 20 July 1932 resulted in the declaration of martial law in Prussia. The Reichwehr, under the command of General Gerd von Rundstedt, did little to maintain order at political meetings.

(*g*) After Hitler was appointed Chancellor on 30 January 1933 the Reichstag was again dissolved and an election scheduled for the 5th of March. Nazi methods of terror reached a peak in this campaign. During the period immediately preceding the scheduled election date, I was campaigning in my home district where the Nazis had taken a dominant part in the election. On the 2nd of March between the hours of 2:00 and 3:00 a. m. my wife and I were awakened by a disturbance in the street. Five storm troopers appeared in front of the apartment house calling my name. My wife stepped out of our bedroom onto the balcony to ascertain the cause of the disturbance. As she did so one of the storm troopers fired a revolver and the shot went over her head into the ceiling of our bedroom. The next day I took my wife and daughter to the home of my mother in the city of Leipzig intending to stay there until the Reichstag reconvened. On Sunday, March 12, while my wife was taking our child out for a walk the door bell at my mother's apartment rang. Three local policemen and four SA men appeared at the door and requested me to identify myself which I did. Thereupon, they took me in an automobile to a police jail in the City of Leipzig where I was kept in solitary confinement for two days. On March 14 I was transferred to the county jail of Dessau where I was again kept in solitary confinement for three months. During the period of my incarceration in these prisons I was given relative freedom in the use of my time and was, in general, treated properly. From time to time I was interrogated by Dessau police officers in a manner indicating that they would like to establish that I was connected in some way with the Reichstag fire. This was an obvious "red-herring" which the police, on orders of the Gestapo, resorted to for the purpose of suggesting some justification, however tenuous, for my continued detention. The transparent absurdity of this tactic finally induced the police to abandon it.

9. During my imprisonment I made every attempt within my power to bring about my release or, at least, to have charges filed in the desperate hope that they might be the subject of a judicial hearing. Among other things, I wrote a letter to the President of the German Supreme Court, Dr. Erwin Bumke, pointing out that my arrest constituted an infringement of my parliamentary immunity, as a member of the Reichstag Foreign Affairs Committee, which continued in effect until the New Reichstag convened. Also, in oral and written communications to various officials, I insisted on the protection afforded to citizens of Germany under the Weimar Constitution. My lawyer demanded that charges against me be filed or otherwise made known to me. These efforts were wholly ineffective. Charges were never filed nor did I receive a single coherent statement from any Nazi or police official, high or low, which informed me of the legal or, indeed, the political basis for my incarceration. Evidently, my only sin was my refusal to subscribe to the principles and methods of the Nazi Party. That refusal was reflected in my public and parliamentary statements and in my writings. Such disagreement was consistently peaceful and never implemented by physical aggression or by my association with any group which sponsored the use of physical force. However, under the regime which came into power on 30 January 1933, mere disagreement involved, inexorably, jeopardy of the heretic's life.

10. On 14 June 1933 I was transferred to the concentration camp at Oranienburg. I remained in Oranienburg until the 4th of December 1933 when I escaped from that institution and was fortunate enough to get across the German-Czechoslovakian border. My experiences in that camp have heretofore been documented in my book entitled, "A Nation Terrorized" which was published by the Reilly & Lee Company, Chicago, in 1935.

[signed] Gerhart H. Seger

Subscribed and sworn to before
me this the 21st day of July 1945.
[signed] EDWARD L. DAVIS
Notary Public.

TOP SECRET

The commandant of the Security Police and of the SD for the Radom district.

[Der Kommandeur der Sicherheitspolizei und des SD fuer den Distrikt Radom].

Radom, 24 February, 1944

—*IV A—No. 328/43 top Secret*—

11 copies. 3rd copy

To the:

Branch Office [Aussendienststelle] Tschenstochau for the attention of SS-Capt. Dette or his deputy.

Branch Office [Aussendienststelle] Kielce for the attention of SS-Capt. Essig or his deputy.

Branch Office [Aussendienststelle] Tomaschow for the attention of SS-Capt. Thiel or his deputy.

Branch Office [Aussendienststelle] Petrikau for the attention of SS-Capt. Altmann or his deputy.

Branch Office [Aussendienststelle] Ostrowiec for the attention of SS-1st Lt. Kurth or his deputy.

Branch Office [Aussendienststelle] Jedrzejow for the attention of SS-2nd Lt. Berhalter or his deputy.

Branch Office [Aussendienststelle] Konskie for the attention of SS-2nd Lt. Weiss or his deputy.

Branch Office [Aussendienststelle] Busko for the attention of SS-2nd Lt. Fischer or his deputy.

Branch Office [Aussendienststelle] Starachowice for the attention of SS-2nd Lt. Becker or his deputy.

Branch Office [Aussendienststelle] Radomsko for the attention of SS-1st Lt. Prehn or his deputy.

Section V in this building for the attention of SS-Capt. Boeck or his deputy.

Subject: Intensified Interrogations.
Previous Correspondence: None

In view of the variety of methods used to date in intensified interrogations and in order to avoid excesses, also to protect officials against eventual criminal proceedings, the commander of the Security Police and of the SD in Cracow has issued the following order for the Security Police in the General Gouvernement, which is based on the regulations in force for the Reich:

a. Should it become necessary to submit Reich Germans or members of German minorities in other countries [Volksdeutsche] or nationals of friendly or neutral states to intensified interrogation, the instructions issued by the Chief of the Security Police and SD—B. No. IV—226/42—Top Secret—dated 12 June 42 are to be followed.

All cases, but especially those requiring the permission of the Chief of the Security Police and SD, are to be reported to me immediately.

Foreign police officials are not to take part in intensified interrogations of Reich Germans or racial Germans [Volksdeutsche] or of nationals of friendly or neutral states.

b. The following procedure is to be adopted as far as the rest of the foreign population of the General Gouvernement and nationals of the Soviet Union are concerned:

Intensified methods of interrogation may only be applied if the prisoner refuses to divulge information he possesses about important matters inimical to the State or to the Reich, connections, major crimes, whether already carried out or planned, (e.g: murder, robberies also the whereabouts of booty, etc.) which cannot be ascertained or cleared up by normal methods of investigation, or if he is strongly suspected of having such knowledge. A further constant pre-requisite is, that all usual methods of interrogation should have met with no success. They may not be applied to persons who have been handed over temporarily by the judicial authorities for further inquiries to be made. Exceptions to this rule require my special previous permission.

According to circumstances the intensifications may, among other things, consist of:

> Very simple diet (bread and water), hard bed, dark cell, deprivation of sleep, exhausting exercises, also in beatings on the buttocks (with a stick).

No intensified method of interrogation may be used unless permission has been granted.

Two officials at least must be present at beatings.

Beatings of foreign prisoners in connection with ordinary (Criminal) police matters may only be carried out by foreign police officials.

The nature and extent of an intensified interrogation may not be exceeded.

Should a prisoner on whom intensified methods have been used, be brought before the judge, the Attorney-General concerned must at the same time be informed by Top Secret letter that for briefly stated reasons the prisoner has been subjected to intensified interrogation, the manner of which should be described. In the proceeding itself, or in fact in all proceedings, there must be no mention of the intensified interrogation. In cases, where I have not reserved to myself the right to grant permission for intensified interrogations I delegate decisions about the method and extent of these interrogations to the Leader of Section IV and V and to the Leaders of the Branch Offices [Aussendienststelle]. Permission must be given in writing before intensified methods are used.

c. In exceptional cases, particularly on missions carried out away from the station, the senior official in charge may be empowered before the start of the mission to carry out an intensified interrogation away from the station. A report on this must be made immediately after return to the station.

Permits will be collected centrally at Section IV in Radom and kept for three years.

Both applications and permits to carry out intensified interrogations will be handled as Top Secret matters.

In all cases where I have granted permission to carry out intensified interrogations, the result is to be reported to me.

The leaders of the Sections resp. of the Branch Offices (Aussendienststellen) are personally responsible for the strict compliance with these instructions; they must see to it that the officials concerned are instructed accordingly, attention being paid to the duty of maintaining absolute secrecy about these instructions and the individual cases.

Infringements of this order will be punished by legal and disciplinary action.

Signed: ILLMER
Attested: AUSTERUBIN
Chancellery employee.

L IV File No. 6/44 top Secret.

Tomaschow, 28th Feb. 1944

1. Noted WIE(SE)
2. All male officials of the station to be informed at the next conference. (Done, 29 Feb. 44).
3. To be filed with the Top Secret documents in the IV L steel safe.

(Signed) RETTINGER, SS-1st Lt.

SECRET

Metz, 14. 5. 42

The Officer Commanding Security Police and SD in Lorraine—Saar Palatinate

1. Report: By order of the Commander I personally submitted to-day to Mr. Welsch, Advocate General, the Decree of the Supreme Command of the Armed Forces of 2 Feb. 42 (Copy)—Office Foreign Countries (Ausl. Amt) Counter Intelligence Dept. CI (Abwehr) II Nr. 570/1.42 secret (ZR/IIIC 2)—for his approval and had it returned to me in a sealed envelope.

2. *Submitted to the Commander* for his information and further orders. (Mr.) Pistorius wishes the Decree to be returned to him.

[signed] Ram [?]
14. May 1942

Returned to Pistorius
14 May 1942
[signed] Ram

Copy

(k) stamp
Berlin, 2 Feb. 1942

Supreme Command of the Armed Forces
Office Foreign Countries (Amt Ausl.) Counter Intell./Dept. Abwehr III Nr. 570/1.42 (ZR/III C 2) Secret
Re: Prosecution of offenses against the German State or the Occupying Power in the occupied territories.
Your Ref. none
Enclosures: 3

Secret

Enclosed please find:

1. Decree of the Fuehrer and Supreme Commander of the Armed Forces of 7 Dec. 41.
2. Executive order of the same date.
3. Communication of the Chief of the Supreme Command of the Armed Forces of 12 Dec. 41.

The decree introduces a fundamental innovation. The Fuehrer and Supreme Commander of the Armed Forces orders that offenses committed by civilians within the occupied territories and of the kind mentioned above, are to be dealt with by the competent Military Courts in the occupied territories *only,* if

(*a*) the death penalty is pronounced, and
(*b*) sentence is pronounced within 8 days of the prisoner's arrest.

Unless both these conditions are fulfilled, the Fuehrer and Supreme Commander does not anticipate that criminal proceedings within the occupied territories will have the necessary deterrent effect.

In all other cases the prisoners are in future to be transported to Germany *secretly,* and further dealings with the offenses will take place here; these measures will have a deterrent effect because

(*a*) the prisoners will vanish without leaving a trace,

(*b*) no information may be given as to their whereabouts or their fate.

This order will entail only very slight alterations in the activities of the Counter Intelligence [Abwehr] Offices. Now as before these offices decide the actual time when people suspected of espionage or sabotage are to be arrested. When deciding this time, it must now nevertheless be taken into consideration that before the arrest is made there will if possible have to be enough proof to convict the prisoner, for there will hardly be an opportunity for further inquiries, confrontations etc. since sentence has either to be pronounced within 8 days or otherwise the removal of the arrested person to Germany will make further investigations *on the spot* impossible. Before the arrest is made, therefore, contact must be made with the appropriate Military Court and the question examined with them as to whether or not the proof collected is sufficient.

In case the competent Military Court, resp. the Military Commander are of the opinion that an immediate decision on the spot is impossible, and the prisoners are therefore to be transported to Germany, the Counter Intelligence Offices have to report this fact directly to the RSHA in Berlin SW 11, Prinz Albrecht Street 7, c/o Dr. Fischer, Director of Criminal Police, stating the exact number of prisoners and of the groups which belong together as the case may be. Isolated cases where the Superior Commander has an urgent interest in the case being dealt with by a military court, are to be reported to the RSHA. Copy of the entire report has to be sent to Office Foreign Countries Intelligence Dept. Abwehr III.

The RSHA on the basis of available accommodation will determine which office of the State Police has to accept the prisoners. The latter office will communicate with the competent Counter Intelligence Office and determine with it the particulars of the removal, particularly whether this will be carried out by the Secret Field Police, the Field Gendarmerie, or the Gestapo itself, as well as on place and the manner of the actual handing over.

For the time being, the Fuehrer's Decree is to be applied only within the occupied areas of the West (Norway, Holland, Belgium and the North of France, France).

The Counter Intelligence offices will report orally to the Chiefs of Staff on the above instructions of the Foreign Countries/CounterIntelligence [Abwehr].

The Chief of the Supreme Command of the Armed Forces
by Order

[signature illegible]

Copy of Copy

The Chief of the Supreme Command of the Armed Forces
14 n 16 WR (I 3/4), Nr. 165/41 confidential

Dec. 12th, 1941

Secret

Subject: Prosecution of offences committed within the occupied countries against the German State or the Occupying Powers.

1 Enclosure

It is the carefully considered will of the Fuehrer that now measures should be conceived in order to counteract attacks against the German State or the occupying power in the occupied territories. The Fuehrer is of the following opinion. If these offences are punished with imprisonment, even with hard labor for life, this will be looked upon as a sign of weakness. Efficient and enduring intimidation can only be achieved either by capital punishment or by measures by which the relatives of the criminal and the population do not know the fate of the criminal. This aim is achieved when the criminal is transferred to Germany.

The enclosed directives for the prosecution of the offences comply with the Fuehrer's point of view. They have been examined and approved by him.

[signed] Keitel

SECRET

Copy of Copy

The Fuehrer and Supreme Commander of the Armed Forces

[stamp] SECRET

Directives for the prosecution of offences committed within the occupied territories against the German State or the occupying power, of December 7th, 1941.

Within the occupied territories communistic elements and other circles hostile to Germany have increased their efforts against the German State and the occupying power since the Russian campaign started. The amount and the danger of these machinations oblige us to take severe measures as a determent. First of all the following directives are to be applied:

I. Within the occupied territories, the adequate punishment for offences committed against the German State or the occupying power which endanger their security or state of readiness is on principle the death penalty.

II. The offences listed in paragraph I as a rule are to be dealt with in the occupied countries only if it is probable that sentence of death will be passed upon the offender, at least the principal offender, and if the trial and the execution can be completed in a very short time. Otherwise the offenders, at least the principal offenders, are to be taken to Germany.

III. Prisoners taken to Germany are subjected to military procedure only if particular military interests require this. In case German or foreign authorities inquire about such prisoners, they are to be told that they were arrested, but that the proceedings do not allow any further information.

IV. The Commanders in the occupied territories and the Court authorities within the framework of their jurisdiction, are personally responsible for the observance of this decree.

V. The Chief of the Supreme Command of the Armed Forces determines in which occupied territories this decree is to be applied. He is authorized to explain and to issue executive orders and supplements. The Reich Minister of Justice will issue executive orders within his own jurisdiction.

By Order
The Chief of the Supreme Command of the Armed Forces
[signed] Keitel

A true copy.
[signature illegible]
Major

Copy of Copy

[stamp] Secret

First Ordinance for the execution of the directives of the Fuehrer and Supreme Commander of the Armed Forces concerning prosecution of offenses committed within the occupied territories against the German State or the occupying power.

Based on paragraph V of the directives of the Fuehrer and Supreme Commander of the Armed Forces concerning prosecution of offenses committed within the occupied territories against the German State or the occupying Power, of December 7th, 1941 I decree as follows:

I

As a rule, the provisions of paragraph I of the Directives apply in case of the following:

1. Attacks against life or body,
2. Espionage,
3. Sabotage,
4. Communistic conspiracy,
5. Offenses likely to create disturbance,
6. Assistance to the enemy, through:
   - *a.* Smuggling of persons
   - *b.* Attempt to join an enemy force,
   - *c.* Assisting enemy soldiers (parachutists, etc.)
7. Illegal possession of arms.

II

(1) The offenses mentioned in I of the Directives are to be brought to trial in the occupied territories only in the following cases:

1. It must be likely that death sentence will be pronounced upon the offenders, at least upon the principal offenders.
2. It must be possible to complete trial and execution within a very *short time* (on principle within a week after arrest).
3. No *particular* political objections should be present with regard to immediate execution.
4. Apart from sentences for murder or for participating in guerilla warfare, a death sentence against a woman should be improbable.

(2) If a sentence passed in accordance with subs. I has been squashed, the subsequent procedure may be continued in the occupied country provided the stipulations of paragraph 1, Nr. 1, 3 and 4 are complied with.

III

(1) With regard to offenses defined in paragraph I of the Directives, the Court Official decides in agreement with the Counter Intelligence offices whether the conditions for trying the case within the occupied country are present. If in the affirmative he convokes the court martial. If in the negative he submits the file to his superior commander (s. 89, subs. 1 Code of Military Procedure). The latter may reserve his decision.

(2) The Superior Commander has the final decision as to whether the conditions are present for trying the case in the oc-

cupied country. In the affirmative he delegates further procedure to an authority within his area. In the negative, he orders the Secret Field Police to transport the Prisoner to Germany.

IV

(1) Prisoners transported to Germany are subjected there to military procedure only when the High Command of the Armed Forces or the Superior Commander, while deciding according to par. III, state that particular military interests call for adjudication by a military court. When such a statement has not been issued, the order to transport the offender to Germany is equivalent to a transfer in the meaning of par. 3, subs. 2, par. 2 Code of Military Procedure.

(2) If the Superior Commander exercises the authority invested in him under Art. I, he should submit the documents to the Supreme Command of the Armed Forces, through the usual service channels. The prisoners are to be designated "Military Prisoners" as regards the Secret Field Police.

(3) The Supreme Commander of the Armed Forces determines the powers of the Court, trying those prisoners, who under Art. I, come under military procedure. The Supreme Command can renounce the competency of the Military Tribunals and can furthermore suspend the proceedings until such time as it may desire.

V

If the trial takes place in Germany it should take place with the Public strictly excluded, owing to the endangering of State Security. Alien witnesses may be heard only with the consent of the Supreme Command of the Armed Forces.

VI

The instruction on the procedure in military courts contained in the Decrees of the Chief of the Supreme Command of the Armed Forces of Sept. 13th 1941 concerning the situation in Norway (Ops. Staff of the Armed Forces Dept. L (IV/Qu) No. 002034/41) Top Secret and of Sept. 16th, 1941 re. Communist Resistance Movements in the occupied territories. (Ops. Staff of Armed Forces, Dept L (IvQu) No. 002060/41 Top Secret) are replaced by the directives and this Execution order.

VII

(1) The directives take effect three weeks after having been signed. They are to be applied in all occupied countries with the exception of Denmark until further notice.

(2) The rules issued for newly occupied eastern countries are not effected by these rules.

(3) Par. 1 of the directives applies to pending cases. The court official and the Superior Commander are entitled to apply par. III of this execution order in such proceedings. In case the Superior Commander orders transport of an offender to Germany, par. IV is applicable. With regard to prisoners transported to Germany before the directives came into force, the Supreme Command of the Armed Forces may apply para. IV, subs. 3.

The Chief of the Supreme Command
of the Armed Forces
[signed] Keitel.

TRANSLATION OF DOCUMENT L-103

Reich-Surgeon of the SS and Police
The Supreme Hygienist
Diary No.: Secret 364/44 Dr. Mru./Eb

Berlin-Zehlendorf 12 Sept 1944
Spanische Allee 10–12

TOP—SECRET

Subject: Experiments with Akonitinnitrate-bullets.

To the Institute of Technical Criminology for the attention of Dr. Widmann
Berlin

Stamp: Institute of Technical Criminology Chemistry dept.
received: 13 Sept. 1944
Diary No. G 53/44
Expert: ———

On 11 September 1944, in the presence of SS-Sturmbannfuehrer Dr. Ding, Dr. Widmann and the undersigned, experiments with Akonotinnitrate bullets were carried out on five persons who had been sentenced to death. The calibre of the bullets used was 7.65 cm and they were filled with the poison in crystal form. Each subject of the experiments received one shot in the upper part of the left thigh, while in a horizontal position. In the case of 2 persons, the bullets passed clean through the upper part of the thigh. Even later no effect from the poison could be seen. These two subjects were therefore rejected. The bullet entrance showed no peculiarities. The Arteria Femoralis of one subject was apparently damaged. A light coloured flow of blood issued from the entrance hole. The bleeding however stopped after a short time. It was estimated that the amount of blood lost was at most ¾ of a litre, so it was by no means fatal.

The symptoms shown by the three condemned persons were surprisingly the same. At first, nothing special was noticeable.

After 20 to 25 minutes, a disturbance of the motor nerves and a light flow of saliva began, but both stopped again. After 40 to 44 minutes a strong flow of saliva appeared. The poisoned persons swallowed frequently, later the flow of saliva is so strong that it can no longer be controlled by swallowing. Foamy saliva flows from the mouth. Then, a sensation of choking and vomiting start.

After 58 minutes, the pulse of two of the persons could no longer be felt. The pulse of the third had 76 beats. After 65 minutes, his blood-pressure was 90/60 min. Hg. The sounds were exceedingly low.

There was therefore a noticeable lowering of the blood-pressure.

During the first hours of the experiment, the pupils showed no change. After 78 minutes those of all three persons enlarged to a medium extent and were slow in reacting to light. At the same time the breathing was maximum with deep intaking respiration. It subsided after a few minutes. The pupils narrowed again and reacted better. After 65 minutes, the reflexes of the knee and Achilles tendons in the three poisoned persons, no longer functioned. In two of them, the reflexes of the abdominal wall had also failed. The third person still maintained the reflexes of the upper abdominal wall the lower ones no longer reacted. After 90 minutes one person began again to breathe already; this was accompanied by an increasing disturbance of the motor nerves. The breathing then became superficial and rapid.

At the same time there was pronounced nausea. One of the poisoned persons tried in vain to vomit. In order to succeed, he put 4 fingers of his hand, up to the main joint, right into his mouth. In spite of this, no vomiting occurred. His face became quite red.

The faces of the other two subjects were already pale at an early stage. Other symptoms were the same. Later on the disturbance of the motor nerves increased so much that the persons threw themselves up and down rolled their eyes and made aimless movements with their hands and arms. At last, the disturbance subsided, the pupils were enlarged to the maximum, the condemned lay still. Massetercramp and loss of urine was observed in one of them. Death occurred 121, 123, and 129 minutes after they were shot.

Conclusion: In spite of an insignificant injury, the bullets, filled with about 38 mg. Akonitinnitrate in solid form caused death after about 2 hours. The effect of the poison begins to show 20 to 25 minutes after the wound is received. The main symptoms were a flow of saliva, alteration in the size of the pupils, failure to function of the tendon reflexes, disturbance of the motor nerves and pronounced nausea.

signed: Doz. Dr. Mrugowsky
SS–Oberfuehrer and Department Head

COPY OF DOCUMENT L–104

EMBASSY OF THE UNITED STATES OF AMERICA
Berlin, November 29, 1937.

No. 3753

Subject: Translations of Hitler's Letter to Schacht Accepting his Resignation as Minister of Economics and of Schacht's Circular Communication to the Officials of the Ministry.

The Honorable,
The Secretary of State,
Washington, D. C.

Sir:

In supplement to the Embassy's telegram No. 283 of November 27, 1 p.m., I have the honor to enclose herewith a translation of the Reich Chancellor's letter to Dr. Schacht accepting his resignation from the Ministry of Economics and naming him Reich Minister without Portfolio. There is also enclosed a translation of Dr. Schacht's brief circular communication taking leave of the officials of the Ministry of Economics. This is considered of some interest inasmuch as it is the only public statement regarding his final resignation thus far made by Dr. Schacht.

At the present stage there is little to add to the comment contained in the Embassy's telegram under reference. The Department's attention is, however, invited to the following portion of Hitler's letter:

> "* * * as President of the Reichsbank Directorium, you will make available for the German people and me *for many years more* your outstanding knowledge and ability and your untiring working strength."

This seems definitely to contradict the belief at one time widely held (see Embassy's telegram No. 255, October 27, 5 p.m.) that Dr. Schacht would not be reappointed to head the Reichsbank upon the expiration of his present presidential term on March 31, 1938. Furthermore, it has apparently given rise to the contrary rumor now current that on next April 1st Hitler will appoint Dr. Schacht Reichsbank President for a life term. This report was also carried in yesterday's edition of the Neue Zuercher Zeitung.

Respectively yours,
(Signed) William E. Dodd.

Enclosures:
No. 1. Translation of Chancellor's Letter.
No. 2. Translation of Dr.Schacht's Circular.
800.2
HPL:GEB

Enclosure No. 1 to despatch No. 3753, dated Nov. 29, 1937 from the American Embassy, Berlin, Germany.

Fuehrer's Letter to Schacht as quoted from Berliner Tageblatt of November 27, 1937

Berlin, W 8. November 26, 1937.

Dear Mr. Schacht:

On July 30, 1934, you declared that you were prepared to take over and continue the tasks of the Reich Ministry of Economics for the period of the illness of the then Reich Minister of Economics Dr. Schmitt. Since then, in this office, you have performed extraordinary services for the new German Reich and me. For this reason I could not, hitherto, make up my mind to comply with your request, repeatedly presented in the course of the past years to be relieved of the Ministry. The combination with the Ministry of Economics which proves necessary as a result of the expansion of the apparatus of the Four Year Plan now permits me to take into account the grounds on which you again requested to be relieved of the tasks of the Reich Minister of Economics. If I accede to your wish it is with the expression of deepest gratitude for your so excellent achievements and in the happy consciousness that, as President of the Reichsbank Directorium, you will make available for the German people and me for many years more your outstanding knowledge and ability and your untiring working strength. Delighted at the fact that in future also you are willing to be my personal adviser, I appoint you as of today a Reich Minister.

With German greeting,
Yours
sgd. Adolf Hitler

HCF

Enclosure No. 2 to despatch No. 3753, dated Nov. 29, 1937 from the American Embassy, Berlin, Germany.

Circular Letter from Dr. Schacht to his Collaborators in the Reich Ministry of Economics (as quoted from BERLINER BUERSEN ZEITUNG of November 28, 1937)

The Fuehrer and Reich Chancellor, at my wish, relieved me as of today of the tasks of the Reich and Prussian Minister of Economics. On departing from this office, which I held for over three years, I want to thank all the officials, employees, and laborers of the Ministry of Economics for their faithful cooperation. My appointment to direct the Ministry of Economics took place at a time when it was essential to guarantee the creation of employment and rearmament of the German people by increasing our raw material imports and by increasing domestic production of raw materials. With these few key-words I sketch the path which you, my collaborators, traveled with me in a decisive period of National Socialist economic reconstruction. Now that for quite some time the unemployment problem may be regarded as solved and our Fuehrer, supported by forces of defense which have become strong again, has in the last few years step by step liberated Germany from the degrading bonds of the Treaty of Versailles, you may all proudly realize that you also, no matter how restricted the field of activity of the individual may be, have been helpers in the achievement of these aims.

It will always remain the decisive thing in our work whether we serve the German people with all the strength of our heart and brain. During my tenure of office it was my effort always to let this point of view be the most important criterion in judging every achievement. Let the general welfare in future as well be the guide of your action, and, true to the promise given our Fuehrer and unconfused by the business of the day, continue to keep only one goal before you: Germany!

Heil Hitler!
Dr. Hjalmar Schacht.

HCF

PARTIAL COPY OF DOCUMENT L-111

TELEGRAPHIC REPORT BY AMBASSADOR DAVIES FROM MOSCOW, DATED 20 JANUARY 1937, OF CONVERSATION WITH SCHACHT

A few hours before departure from Berlin I had a most unusual visit with Schacht. It was expressly personal and specifically unofficial. Because of its unusual frankness and explicitness and comprehensiveness of its character the writer concluded to forward information by cable.

Schacht expressed the greatest admiration for the extraordinary abilities and powers of President Roosevelt in domestic matters and expressed the hope that these powers might be used for the preservation and establishment of world peace. He stated the following; that the present condition of the German people was intolerable, desperate and unendurable; that he had been authorized by his Government to submit proposals to France and England which would (1) guarantee European peace; (2) secure present European international boundaries; (3) reduce armaments; (4) establish a new form of a workable League of Nations; (5) abolish sanctions with new machinery for joint administration; all based upon a colonial cession that would provide for Germany an outlet for population, source for foodstuffs, fats and raw materials; such cession of colonies to be by joint agreement of other powers and with colonies themselves; that France was surprisingly agreeable thereto in principle and suggested that France approach England; that England flatly rejected the proposal; that he had tried to secure opportunity for informal discussions with the English Foreign Office but the overture was rejected.

Schacht earnestly urged that some such feasible plan could be developed if discussions could be opened; and that if successful would relieve European war menace, relieve peoples of enormous expenditures for armament, restore free flow of international commerce, give outlet to thrift and natural abilities of his countrymen and change their present desperation into future hope; that resulting therefrom the present artificial barriers of international commerce would be broken down and revision of currency control and other reforms would automatically follow.

Schacht stated he hoped the President would call an international conference in Washington: To this the writer suggested that possibly the President would be indisposed to become entangled in these matters unless there was some assurance of success. Schacht suggested that the conference should not be called unless situation had been practically agreed upon in advance; that matter for discussion should be used only as ancillary to the general purpose and as a cap to the whole arrangement; that the conference if called should not be called an "economic conference" but a "peace congress" or some such words.

Writer stated that in frankness he should observe that while peace loving people of the world sympathized with the straits of the German people, that there was nevertheless apprehension arising out of past aggressive acts, speeches (Nurenberg) and other publications that militarism, regimentation, prosecution of races and religions indicated not a spirit of peace but a lust for conquest and domination. Schacht earnestly, and I believe sincerely, rejoined that these recent manifestations were simply an effort to restore the morale of the German people after years of disappointment as a democracy in its negotiations with powers for twelve years and "were the manifestations of the desperation and terrible plight of a people bottled up and being economically starved in a world of plenty". He intimated that armaments and the like were really trading stock to force a measure of justice upon realistic and selfish nations who had been enemies of his people.

In conclusion Schacht expressed greatest admiration for the President's Buenos Aires speech and the splendid results of Secretary Hull's conference there.

COPY OF DOCUMENT L-135

DEPOSITION OF KATE EVA HOERLIN

STATE OF NEW YORK }
COUNTY OF BROOME } SS.:
CITY OF BINGHAMTON }

Kate Eva Hoerlin being duly sworn, deposes and says:

On Saturday, June 30, 1934, I was living with my former husband Dr. Willi Schmid, and my three children Renate (Duscha) age 9, Thomas age 7, and Hedi age 2, in a third floor apartment at 3 Schackstrasse, Munich, Germany.

At that time my husband, Willi Schmid, was the music critic for the "Muenchener Neuste Nachrichten", the leading newspaper in Munich.

At 7.20 in the evening of June 30, while my husband was in his study playing the cello and while I was helping prepare supper and the children were playing around the living room and kitchen, the front door bell rang. My maid, Anna Bielmeier, answered the door. She went to my husband and said that there was a man at the door who wanted to talk with him about a job. I asked my husband why anyone would come around at this time on a Saturday evening—but he said that he would see him anyway. I followed my husband to the door and saw a man standing there in civilian clothing. Just as my husband reached the door the man in civilian clothing stepped aside, and four men dressed in the SS uniform, and fully armed, appeared from the side of the hall and pushed their way into our apartment and into my husband's study. I followed them in. My husband asked them what they wanted. They merely replied: "Come with us at once." My husband then asked them whether they had any warrant or identification and they replied that they did not need any. I said to them that there must be some mistake, and that I would get my husband's identification papers which were in a drawer in his desk. I turned around to go to the desk which was on the other side of the room when my husband shouted to me: "Don't move—they'll shoot you." I stopped where I was and looked back to see all four of the SS men with their guns pointed at me.

They then grabbed my husband and pushed him out of the study door. As they reached the hall my husband asked whether he could take his hat which was hanging there. They permitted him to do this and proceeded to lead him away. I asked the SS men if I could go along, but they would not answer me. I followed them down the stairs and out into the street where there was a car waiting. I was, of course, at this point in a very worried state—and as they forced my husband into the car I kissed him. My husband, on the other hand, was completely calm and as he got into the car he said to me: "Be calm, dear—it can only be some mistake." Those were his last words to me and I remember them with complete clearness.

The thought occurred to me at once that I should catch the number of the car. This I did, and I wrote it down as soon as I had reached my apartment again.

I at once telephoned Dr. Arthur Huebscher, one of the editors of my husband's newspaper, and told him what had happened. He came over to my apartment immediately. During that night I made innumerable other telephone calls, calling everyone I thought might be of assistance. I called the police, who simply told me that they knew nothing—and that there was nothing that they could do for me. I also called the Gestapo headquarters at various times during the night, and they also merely informed me that they knew nothing about it.

On Monday officials from the "Muechener Neuste Nachrichten" contacted Karl Haniel in Dusseldorf who was on the Board of Directors of my husband's paper, and who was a very prominent figure in German industry holding, among other positions, the presidency of the Board of Directors of the *"Gutehoffnungs-*

huette" the large German steel works. He came to Munich, arriving there about the third of July. He contacted the Gestapo at once, and because of his influence he was able to obtain for me the first information about my husband's death. He was told that my husband had been shot at Dachau "by accident". He was told that the body would be released as "the body of an innocent person" and he was given instructions as to how he could obtain it.

On July 4, Karl Haniel, his cousin Kurt Haniel as well as Captain Schenck and another man from the "Muenchener Neuste Nachrichten" went as instructed to Dachau and picked up the body at an underpass just outside the camp. It was in a bare wooden box coffin which was firmly sealed and which had written on it in blue chalk "Dr. Willi Schmidt". It was delivered to Karl Haniel et. al. by members of the Gestapo who, in a manner which left no doubt as to the consequences of disobeying, ordered that no one was under any circumstances to open the coffin.

The funeral was set for July 6th. I wanted to publish the usual death notice in my husband's newspaper, but I was informed by the official I contacted on the paper that they had been instructed by the Gestapo that no death notice could be published without the prior approval of the Gestapo. I contacted the Gestapo by telephone requesting permission to publish the death notice. They told me that I might publish it provided that I referred to the death as being accidental, and provided that I made no mention of the date of the death or the time of the funeral as such mention might cause public unrest. I told them that I would not publish a lie, and hung up. However without my assent the newspaper published the death notice in accordance with the Gestapo restrictions. I was also informed by the Gestapo that any music which was to be played at the funeral, as well as any speech contemplated in honor of Dr. Schmid, would have to be first censored by them.

My brother in law, Walter Schmid, obtained what was supposed to be an official death certificate for me. However, the certificate he gave me stated on it that my husband had died at Dachau at 6 P. M. on June 30, 1934. I asked my brother in law to see if he could not produce a true death certificate, as my husband had not even been arrested at the hour stated on the certificate given me. In the company of my other brother in law, Franz Ringler, Walter went to the Town of Dachau where he contacted *Regierungsrat* Kellner whom he asked to explain the obvious error on the face of the certificate he had received. Kellner informed my brothers in law that the certificate had been made out in accordance with verbal instructions given by *Obersekretaer* Mutzenbauer, an official of the Dachau concentration camp. This latter individual might have direct information concerning the murder of my husband.

When my husband was taken away he had in his possession a gold watch which was a family heirloom. He also had some money and other personal effects on him. Many times I requested the Gestapo to return this watch to me, as I had a strong sentimental attachment to it, and I was often assured that it would be returned. But neither the watch or any of the other effects which my husband had in his possession when he was taken away were ever returned to me.

On July 7th an official of the Gestapo, one *Regierungsrat* Brunner, came to my residence. He said that he had come to express his sorrow for the "regrettable accident". I asked him what was the reason for having arrested my husband, and many other questions. He refused to answer any question I asked him.

During the following weeks the Gestapo twice tried to offer me money, and messengers were sent to my house with this money. They never stated why the money was being offered, and did not want a receipt or any other formal acknowledgement of it. I refused this money each time. The first time the messenger brought it back with him, but the second time he insisted on leaving it at my apartment. I took the money to the Braunehaus, NSDAP headquarters in Munich where I told an official what had happened and that I refused to accept the money. A Captain Fritz Wiedemann who was a member of Rudolph Hess' staff overheard my conversation and he offered me his assistance. He told me that I could leave the money there and that he would endeavor to obtain a legal pension of some kind for me. He also said that he would try to obtain a statement for me that my husband was entirely innocent of any wrong. Shortly thereafter I received a phone call, a voice on the other end of the line saying to me that Heinrich Himmler desired to speak to me. A very arrogant voice then came on the line and told me that I had better accept the money which had been offered me and keep quiet about the matter. I repeated my refusal and hung up. I immediately contacted Captain Wiedemann and told him about the phone call from Himmler. Not long thereafter, on the 31st of July, Rudolph Hess came personally to visit me accompanied by an adjutant. He said that he had come to express his sympathy, and to assure me that the guilty ones would be punished. I told him not to punish the young boys who had taken my husband away that night but to punish the really guilty ones who were responsible for their acts. He told me that I should think of my husband's death as the death of a martyr for a great cause. He promised me that he would personally concern himself with the case.

This visit was followed by a letter from Rudolph Hess, dated September 24, 1934, in which Hess referred to his visit and in which he stated that my husband was not in "any way" shot because of any connection with the Roehm Revolt or because of any guilt on his part. A copy of this letter, attested by a Munich notary, Dr. Kleinmann, is attached hereto. I had this copy made in case the Gestapo should find the original and take it from me. Unfortunately I have since lost the original of this letter. However, my present husband has seen the original of this letter, and his affidavit to this effect is attached hereto. Both my brothers in law have also seen the original of this letter, and their names and addresses are given below.

Upon the request of Mr. Hess the Nazi party paid me a monthly pension of one thousand marks which was the approximate salary my husband earned before his death. Not wanting to receive anything from the Nazis and feeling that the Party, which at that time was still quite separate from the Reich Government, could offer me and my children no real security, I endeavored to obtain an agreement from the Reich Government itself to pay me this pension. Only after almost a year of negotiations, during which I made six or seven trips to Berlin, was I finally able to obtain from the Department of the Interior of the Reich an agreement to pay me this pension. A photostat copy of this agreement is attached hereto. The original I have in my possession, and I do not wish to part with it as I feel that this, being an agreement of the Reich and not the Nazi party, is still an obligation of the German State for the education of my children.

In fairness I should state that Captain Wiedemann, formerly an influential member of the NSDAP, was at all times genuinely sympathetic with my case; and I feel that I owe more to him for having protected me from the Gestapo than to any other individual.

My former husband, Willi Schmid never had any political affiliations of any kind, and never engaged in any political activities. He was, however, strongly anti-Nazi in his sympathies, and this was known to the General Manager of the "Muenchener Neueste Nachrichten", SS *Gruppenfuehrer* Hausleiter, who since 1933 controlled the policies of my husband's newspaper. Hausleiter, if available, should be questioned concerning his knowledge of the circumstances resulting in the murder of my husband. On the same day that my husband was murdered, a prominent SA leader in Munich named Willi Schmidt was also shot. It was thought by many that my husband's murder resulted from this similarity in names, but this fact was never established or admitted.

My two brothers in law referred to above are very familiar with all the circumstances following the murder of my husband. Their last known addresses were:

Walter Schmid, Riesserkopt Strasse 17, Garmisch-Partenkirchen, Bavaria.

Franz Ringler, Dreitorspitze Strasse 24, Garmisch-Partenkirchen, Bavaria.

In 1937 I left Germany with my children and went to Austria. I married my present husband, Herman William Hoerlin in July 1938 and we came to the United States shortly thereafter. We became citizens of the United States in 1944. Our present address is 35 Vermont Avenue, Binghamton, New York.

Though I have referred to the German Secret Police throughout this deposition as the "Gestapo" since that is the name they were later always called, however, at the time of my husband's murder they were actually called the *"Politische Polizei"*.

July 7, 1945.

[signed] Kate Eva Hoerlin

STATE OF NEW YORK }
COUNTY OF BROOME } ss.:

Personally before me on this 7th day of July, 1945, appeared Kate Eva Hoerlin who, for the past seven years, I have personally known to be the said Kate Eva Hoerlin, and, who, upon oath, swore that the above statements were in all respects true and correct.

[signed] Charles W. Turner
Notary Public

STATE OF NEW YORK }
COUNTY OF BROOME } ss.:

I, William E. Flook, Clerk of the County of Broome, and also Clerk of the County and Supreme Courts for said County, said Courts being Courts of Record, do hereby certify that Charles W. Turner the Notary Public before whom the within acknowledgment was made, was at the time of taking the same authorized by the laws of the State of New York to take acknowledgments and proofs of deeds of conveyances for lands, tenements and hereditaments situate, lying and being in said State of New York. And further that I am well acquainted with the handwriting of such Notary Public and verily believe that the signature to said certificate of proof of acknowledgment is genuine and that an impression of the seal of such Notary Public is not required by law to be filed in this office.

In testimony whereof, I have hereunto set my hand and affixed the seal of the said Courts and County, the 7 day of July 1945.

[SEAL] [signed] Wm. E. Flook Clerk

STATE OF NEW YORK }
COUNTY OF BROOME } ss.:

I, Herman William Hoerlin, certify upon oath that I have seen the original of the letter signed by Rudolph Hess, an attested copy of which is attached to the deposition of my wife, Kate Eva Hoerlin, dated July 7, 1945, and that the original of said letter bore the signature of Rudolph Hess, and that in all respects the said attested copy is identical to the original of said letter.

[signed] Herman William Hoerlin

Sworn to before me this 7th day of July, 1945.
[signed]: Charles W. Turner
Notary Public

SUPPLEMENTAL AFFIDAVIT OF KATE EVA HOERLIN

STATE OF NEW YORK }
COUNTY OF BROOME } ss.:

Kate Eva Hoerlin being duly sworn, deposes and says:

In the deposition which I signed under oath on July 7, 1945 relating to the circumstances connected with the death of my former husband Dr. Willi Schmid I omitted to state that after having written down the license number of the car in which my husband was driven away by the SS men, the ownership of that car was traced and it was ascertained that the car belonged to Baron Rechberg who, I believe, was a student in Munich and a member of the SS at the time. It is possible that this individual may have knowledge of the circumstances of the murder of my husband. The license of the car contained the letter-cipher IIIA which meant that it was registered at Stuttgart.

[signed] Kate Eva Hoerlin

Sworn to before me this 9th day of July, 1945
[signed]: Charles W. Turner
Notary Public

COPY OF DOCUMENT L-150

Memorandum of Conversation between William C. Bullitt American Ambassador to France, and the German Minister for Foreign Affairs, Von Neurath, in Berlin, on May 18, 1936.

I called on Von Neurath, Minister for Foreign Affairs, on May 18th and had a long talk on the general European situation.

Von Neurath said that it was the policy of the German Government to do nothing active in foreign affairs until "the Rhineland had been digested". He explained that he meant that until the German fortifications had been constructed on the French and Belgian frontiers, the German Government would do everything possible to prevent rather than encourage an outbreak by the Nazis in Austria and would pursue a quiet line with regard to Czechoslovakia. "As soon as our fortifications are constructed and the countries of Central Europe realize that France cannot enter German territory at will, all those countries will begin to feel very differently about their foreign policies and a new constellation will develop," he said.

We then discussed the position of the Little Entente, and Von Neurath said that he could assure me with absolute certainty that Yugoslavia positively would not recognize the Soviet Government. Yugoslavia definitely had refused to join Rumania and Czechoslovakia in forming a bloc under Russian hegemony. He said that Germany's relations with Yugoslavia had improved greatly. He accompanied the latter statement with something like a wink, which I took to mean that some sort of definite understanding had been reached between Germany and Yugoslavia.

In discussing France, he said that he could swear to me that the deepest desire of Hitler was to come to a real understanding with France. He added, that I knew from the many conversations we had had on this subject over a long period of years, that to establish a Franco-German understanding had always been the core of his personal foreign policy. He then said he regretted that there seemed to him today not the slightest chance of bringing about a reconciliation between France and Germany. He asserted that every attempt he or Hitler had made to draw closer to the French had resulted in either no reply from France or a rebuff.

Von Neurath then stated that no understanding had been reached between Germany and Italy and admitted that the demonstrations of friendship between Germany and Italy were mere demonstrations without basis in reality. He went on to say that at the present time he could see no way to reconcile the conflicting interests of Germany and Italy in Austria. He said that there were three chief reasons why the German Government was urging the Austrian Nazis to remain quiet at the present time. The first was that Mussolini had today the greater part of his army mobilized on the Austrian border ready to strike, and that he would certainly strike if he should have a good excuse. The second reason for urging Austrian Nazis to remain quiet for the present was that the Nazi movement was growing stronger daily in Austria. The youth of Austria was turning more and more toward the Nazis, and the dominance of the Nazi Party in Austria was inevitable and only a question of time. The third reason was that until the German fortifications had been constructed on the French border an involvement of Germany in war with Italy might lead to a French attack on Germany.

With regard to England, he said that he regretted greatly that no really friendly contact had been established between the German and British Governments. I asked him if he meant that he did not talk and could not talk with Eden or the British Ambassador in Berlin as simply and directly as he was talking to me. He replied that he absolutely could not and that it was totally impossible. I asked him what he thought would be British policy with regard to Germany. He replied that he had said to Hitler in the course of the previous week that he was expecting a British gesture of friendship toward Germany which would possibly take the form of a statement made privately that England could see no moral objection to the joining of Austrian Germans to the German Republic. He went on to say that he and Hitler were fully prepared for this maneuver; that the real desire of Britain was to embroil Germany with Italy by producing a Nazi coup d'etat in Austria. "We have no intention, however", he said, "of being the cat's paw for British policy in Europe. Our policy will be a German policy and nothing else."

We discussed relations between Germany and the Soviet Government. Von Neurath said that he considered the hostility between Germany and the Soviet Union absolutely irremovable. He asserted that the Soviet Union believed that Nazi Germany was the one obstacle to the conquest of Europe by Communism. There could be no end, therefore, to the hostility between the two States. He asserted that recently the German secret police had found that the Soviet Government, through the Comintern, was pushing the Communist movement in Germany with greater intensity than ever before.

With regard to internal affairs and particularly the appointment of Goering as Schacht's superior, Neurath made the following assertions:

(1) He said that about two months ago Hitler had said to him that it was absolutely necessary to do something to protect Schacht from the attacks of certain Nazi Party institutions and individuals who were in the habit of using foreign exchange in large quantities without Schacht's permission or control. I asked him what institutions he meant and he said that the worst was the Ministry of Propaganda under Goebbels which had been spending millions on foreign propaganda utterly without result. He asserted that Hitler had said to him he felt it would be desirable to shelter Schacht behind the broad figure of Goering, who had great prestige and power in the country and the Nazi Party. He asserted that the arrangement had been made with the full consent and approval of Doctor Schacht and that it was working very well.

He asserted that at major conferences to consider economic affairs Schacht and Goering both presided and that Goering interfered only if certain party chiefs refused to accept Schacht's authority. He asserted that he expected the present arrangement to give satisfactory results and to last for a considerable period.

I suggested to Von Neurath that if, as he had pointed out to me in a previous conversation, those colonies which Germany could hope to reacquire could not provide sufficient raw materials to produce any amelioration in the German economic situation, it seemed most unwise at a time when it was desirable to have as much British support as possible, to raise the question of colonies needlessly. He replied that he had somewhat revised his views since he had talked to me on this subject, and said that there were certain colonies which might be most useful, notably the Cameroons. He seemed to indicate, by further remarks on the subject, that Germany would attempt to obtain the Cameroons but would not push seriously other colonial claims for the present.

I asked Von Neurath when he would reply to the British note of inquiry as to the meaning of Hitler's peace proposals. He answered that the German Government would take its own time about replying, that the reply would certainly not be made in the near future.

He went on to say that the entire matter of the British note of inquiry had been mishandled grossly by the British Foreign Office. He said that Sir Eric Phipps had brought him the note with the request to keep its contents absolutely secret and that he had agreed to absolute secrecy as it was possible to reach any international agreements by debates in the public press. He said that, to his utter astonishment, Sir Eric Phipps had then telephoned to him and said that he regretted greatly to inform him that there had been a leak as to the contents of the note, and that it would be essential for the British Government to publish it the following morning. Von Neurath asserted that he had asked Phipps if the leak had been in the French Foreign Office and that Sir Eric had replied that he was extremely sorry to say that the leak had been in London.

Von Neurath then went on to say that in view of the fact that it was now proposed to reform the League of Nations entirely, and that as one of the proposals of the German Government had been that Germany should enter the League, it was impossible to make a decision or binding statements with regard to foreign policy until it was known what the nature of the new League would be. He discussed this matter at some length and seemed to indicate that the German reply to the British note would be long delayed and would not be specific and would explain the lack of definiteness by the excuse that until the new constitution of the League had been established, it would be impossible to make promises with respect to foreign policy.

The entire impression I gathered from Von Neurath was that Germany will attempt to behave in a quiet and inoffensive manner until her fortifications on the French and Belgian frontiers are completed and during that period will attempt to avoid any commitments which might restrict her future activities.

With regard to Czechoslovakia, Von Neurath said that, although the Czechs were violently anti-German at the present time, he would not be surprised to see an improvement in relations between Germany and Czechoslovakia brought about by the construction of German fortifications on the French frontier. He said that the German Government knew just as well as the Russian that all talk of Russian military assistance to Czechoslovakia at the present moment was nonsense.

He said that the Russian troops could not reach Czechoslovakia and that Russian airplanes could not easily fly to Czechoslovakia owing to the inability of the Russians to conduct long flights over such difficult regions as those which lie between Kiev and Prague.

No. 1267 Paris, November 23, 1937.

Subject: Visit of Ambassador Bullitt to Warsaw.

The Honorable,
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to report that, in accordance with my telegram No. 1557 of November 4, 2 P.M., to the Department and the Department's telegram No. 563 of November 4, 3 P.M., to me, I left Paris, to visit Ambassador Biddle, on Saturday evening November 13th at 6:15 P.M., arriving in Warsaw at 4:32 P.M., on November 14th. I left Warsaw at 10:20 P.M., November 17th, arriving in Berlin at 8:00 A.M., November 18th. I departed from Berlin on November 19th at 9:30 P.M., arriving in Paris at 9:55 A.M., on Saturday, November 20th.

In the course of this trip I talked with a number of statesmen and diplomats, and it has occurred to me that the Department of State might be interested in having more than a formal report of the dates of my journey. I append, therefore, memoranda recording portions of conversations with the following: 1. The Polish Minister for foreign Affairs, Colonel Joseph Beck, Marshal Smigly-Rydz, and other members of the Polish Government; 2. The Japanese Ambassador in Warsaw, Shuichi Sakoh; 3. The Italian Ambassador in Berlin, Bernardo Attolico; 4. Baron Konstantin von Neurath; 5. Doctor Hjalmar Schacht; 6. General Hermann Goering.

Respectfully yours,
William C. Bullitt.

List of Enclosures:

1. Memorandum of conversation between Ambassador Bullitt and Colonel Beck, Marshal Smigly-Rydz, and other members of the Polish Government.
2. Memorandum of conversation between Ambassador Bullitt and the Japanese Ambassador in Warsaw.
3. Memorandum of conversation between Ambassador Bullitt and Italian Ambassador in Berlin.
4. Memorandum of conversation between Ambassador Bullitt and Baron Konstantin von Neurath.
5. Memorandum of conversation between Ambassador Bullitt and Doctor Hjalmar Schacht.
6. Memorandum of conversation between Ambassador Bullitt and General Hermann Goering.

WCB:CO/lhh

Enclosure No. 5 to Despatch No. 1267 of November 23, 1937, from the Embassy at Paris.

MEMORANDUM OF A CONVERSATION BETWEEN AMBASSADOR BULLITT AND DOCTOR HJALMAR SCHACHT

I had a conversation with Doctor Hjalmar Schacht which was not altogether without interest. Schacht began by saying that he regretted greatly that nothing had come of his two visits to Paris in the course of which he had attempted to establish the basis for a Franco-German rapprochement. He said that he had found Blum extremely reasonable with regard to the colonial question. He then went on to speak of the absolute necessity for doing something to produce peace in Europe before the outbreak of war toward which the Continent was drifting. He prefaced his remarks by saying that he himself today was "completely without influence on that man," meaning Hitler. He seemed to regard himself as politically dead and to have small respect for "that man." He said that the one way he could see to peace was through direct negotiations between France and Germany. He did not believe that the conversations which Halifax was about to have with Hitler would lead to any considerable results. Hitler was furious with the British because he had made his one great gesture of political generosity toward the British and the British had not responded by any similar gesture. He had offered to limit the German fleet and the British had quietly pocketed this concession and had then made none of the corresponding gestures toward Germany that Hitler had anticipated.

Schacht said that in his opinion the best way to begin to deal with Hitler was not through political discussions but through economic discussions. Hitler was not in the least interested in economic matters. He regarded money as "filth." It was, therefore, possible to enter into negotiations with him in the economic domain without arousing his emotional antipathies and begun to lead him into arrangements in the political and military fields in which he was intensely interested.

Hitler was determined to have Austria eventually attached to Germany and to obtain at least autonomy for the Germans of Bohemia. At the present moment, he was not vitally concerned about the Polish corridor and in his (Schacht's) opinion, it might be possible to maintain the Corridor provided Danzig were permitted to join East Prussia and provided some sort of a bridge could be built across the Corridor uniting Danzig and East Prussia with Germany.

L-151

Enclosure No. 6 to Despatch No. 1267 of November 23, 1937, from the Embassy at Paris.

MEMORANDUM OF CONVERSATION BETWEEN AMBASSADOR BULLITT AND GENERAL HERMANN GOERING

I said to General Goering as soon as I met him that I should be extremely glad to have his ideas on the prospects of peace and war in Europe and that I wished he would begin by telling me what he thought of Germany's relations with France.

Goering said that there was no direct conflict whatsoever today between Germany and France. Germany had given up entirely and forever the idea of regaining Alsace-Lorraine. Germany had learned through long experience that the people of Alsace and Lorraine would inevitably be against whichever of the two countries happened to have the sovereignty over Alsace-Lorraine at the moment and would be permanently a source of discord within the country to which they were attached. Germany did not desire to have any half-loyal citizens and, therefore, had not the slightest desire for a return of Alsace-Lorraine to the German Reich.

In addition, the economic systems of France and Germany were completely complementary. It should be possible to develop to a much greater extent the exchange of all sorts of products between France and Germany.

Furthermore, the French had contributed so much to the culture of Germany and the Germans had contributed so much to the culture of France that as two civilized peoples who lived side by side they had a deep underlying esteem for each other. Furthermore, the French and the Germans respected each other as brave soldiers and courageous peoples who were ready to die for their respective countries. In addition, the French Government had indicated that it was prepared insofar as it was concerned, to return the German colonies which had been transferred to France by the Treaty of Versailles. There was, unfortunately, the proviso that France would only take this action if Great Britain were prepared to make a similar concession.

There was, therefore, no cause of discord whatsoever in the direct relations between France and Germany to prevent the closest sort of friendship between the two countries. So far as Germany was concerned, he could say with authority that Germany today was prepared to conclude at once *an offensive and defensive alliance with France.*

The sole source of friction between Germany and France was the refusal of France to permit Germany to achieve certain vital national necessities. If France, instead of accepting a collaboration with Germany, should continue to follow a policy of building up alliances in Eastern Europe to prevent Germany from the achievement of her legitimate aims it was obvious that there would be conflict between France and Germany.

I asked Goering what aims especially he had in mind. He replied, "We are determined to join to the German Reich all Germans who are contiguous to the Reich and are divided from the great body of the German race merely by the artificial barriers imposed by the Treaty of Versailles."

I asked Goering if he meant that Germany was absolutely determined to annex Austria to the Reich. He replied that this was an absolute determination of the German Government. The German Government at the present time was not pressing this matter because of certain momentary political considerations, especially in their relations with Italy; but Germany would tolerate no solution of the Austrian question other than the consolidation of Austria in the German Reich. He then added a statement which went further than any I have heard on this subject. He said, "There are schemes being pushed now for a union of Austria, Hungary, and Czechoslovakia either with or without a Hapsburg at the head of the unit. Such a solution is absolutely inacceptable to us, and for us the conclusion of such an agreement would be an immediate *casus belli*." (Goering used the Latin expression casus belli. It is not a translation from the German, in which our conversation was carried on.)

I asked Goering if the German Government was as decided in its views with regard to the Germans in Bohemia as it was with regard to Austria. He replied that there could be only one final solution of this question. The Sudeten Germans must enter the German Reich as all other Germans who lived contiguous to the Reich.

I asked if the German Government might not be content if the Czech Government should accord to the Germans of Bohemia a large measure of local autonomy while keeping them under Czech sovereignty. Goering replied that such a concession on the part of the Czechoslovak Government would lead to a temporary appeasement of the situation; but the autonomy would have to be real autonomy and such a solution would not be a final solution. There could be no final solution but the inclusion of these Germans within the Reich.

I asked Goering how he viewed the case of the Germans in other portions of Europe; notably the Germans of Transylvania. He replied that these racial groups were cut off from the main body of the German people and could not, therefore, be joined to it. All that Germany would insist upon would be that they should be treated as equals with equal rights and be permitted to retain their cultural life. The situation of the Germans in Transylvania was extremely unsatisfactory. On the other hand, the Yogoslavs had treated the Germans within their borders with such conspicuous intelligence and fairness that the leaders of the Germans of Yugoslavia had informed him recently that they had no real grievances and that they would resist to the utmost any arrangements in Europe which might envisage their return to Hungary.

Goering then added that the only other two considerable German racial groups which would lie outside the borders of the German Reich, after the Germans of Austria and Bohemia had been included, would be the Germans of the South Tyrol who were now in the hands of Italy and the Germans in Poland. He did not feel that there was a sufficient number of Germans in Italy to warrant a major war for their attachment to the Reich. Similarly the Germans of Poland would have to stay where they were because there were a considerable number of Poles in Germany and all that either Poland or Germany could expect would be that these minorities should be treated on each side of the border with the greatest human consideration.

Goering went on to say that the idea that Germany had any ambitions to annex the Ukraine was pure nonsense. I suggested that one of the reasons it was nonsense was that it would involve first the conquest of Poland and then the conquest of the whole of Central Europe before it could become realizable.

Goering replied that this was so and that in addition Germany had no desire to have territory in Europe except territory inhabited by Germans.

I thanked Goering for giving me such a clear expression of Germany's intentions with regard to the Continent and asked him if he would pass on to the colonial field.

Goering said that Germany's demands in the colonial field were well known. They were for a return of the German colonies which had been taken away from Germany by the Treaty of Versailles. Germany had no right to demand anything but these colonies. On the other hand, Germany had no desire to be stiff-necked about this matter. If England should not wish to return German East Africa or German Southwest Africa, for military and other reasons, Germany would make no objection if England could make an arrangement, financial or otherwise, with Portugal and Belgium for the giving to Germany of Portuguese and Belgian colonies in West Africa which would compensate Germany for the loss of her East African possessions. It was idle to say that Germany could not get raw materials of great value from African colonies; for example, the Cameroons. It was entirely true that today the Cameroons had been very little developed and were producing very little, but with German intelligence and energy applied to them, they could be made to produce materials of the greatest value to Germany. The same was true of many other areas in Africa which today were undeveloped or underdeveloped. The essential problem for Germany was to feed and maintain her people at a decent standard of living. It was entirely clear that with the increase of population in Germany the soil now in the hands of Germany would be insufficient to maintain this increasing German population. Before the war, when barriers to international trade had been low, it had been possible for Germany to maintain herself by her great international trade. Today barriers were so high that this would soon become impossible. He hoped that there might be a reduction of such barriers and that Germany could find increasing markets for her products but she could not feel safe unless she had a colonial domain which would give her access to her own raw materials.

Goering then went on to say that he deplored greatly the present state of trade relations between Germany and the United States. The trade between the two countries was ceasing to be of any importance which was contrary to all reason. Indeed, Germany was almost isolated from the United States. There were certain countries with which Germany had good relations; and certain countries with which Germany had bad relations; but with the United States, Germany had no relations at all. He then asked me why I believed there was such hostility to Germany in the United States.

I replied that there were many sources of this hostility. All Americans were devoted to the ideal of democracy. There had been a democratic government in Germany, or at least the semblance of a democratic government, which had been destroyed and replaced by Nazi dictatorship. Any governing group which destroyed democracy to replace it by dictatorship would always be unpopular in the United States. Furthermore, the German Government had at the same time attacked with the utmost violence the Jews, the Catholic Church and the Protestant Church. The reaction in America among Protestants, Catholics and Jews had, therefore, been natural, immediate, and intense.

Goering then protested, saying that he was informed that people in the United States believed that the National Socialist Government was attempting to set up a heathen church in Germany. I replied that this was so. He said that it was true that within the Nazi Government there was a small group of people who desired to see a return to the Norse gods, but he could assure me that this movement was completely without importance and did not include more than one percent of the Nazi Party. So far as he, himself, was concerned, he was a Protestant and still attended church services. He had been to church recently on the occasion of the confirmation of his nephew. He thought that the violence of the reaction in the United States probably was due to the Jews. I replied that in some measure it was due to the Jews as was only natural, but that it was not only the Jews but all Americans who were shocked and horrified by the treatment of the Jews in Germany and that the attacks on the Catholic Church and the Protestant Church and on democracy and human freedom were factors of equal importance.

I then added that there was an additional element which was playing a certain role at the moment. It appeared that the Nazi Government was engaged in forming Nazi organizations in the United States. Neither the Government nor the people of the United States could tolerate the formation on their soil of any national group or other group directed by any foreign country. We could not permit Hitler, Stalin, Mussolini or any other dictator to organize groups of agents in the United States. If we should do so, we would soon cease to be a nation and become a mere battleground for the conflicting ambitions of foreign dictators.

Goering said that he considered this entirely reasonable and understandable and if he were an American would certainly not tolerate the slightest interference by any foreign agency in the life of the United States. The German Government had forbidden any German citizen to participate in any way in the formation of such groups. He believed that I would find that such groups were formed by American citizens of German origin. I replied that I felt quite certain that such groups would not be formed without the approval and desire of the German Government. Goering then said: "It is true that certain persons in our Government here believe that we should attempt to organize the Germans, especially of the Middle West, because they feel that if Germany should again become involved in war with France and England, there would come a moment when the United States might again consider entering such a war against Germany and they believe that such groups of organized Germans in the United States might throw their influence decisively against a declaration of war and might prevent the United States entering such a conflict.

I then said that I could merely remind him of two things: The first, that the organization of German groups in the United States during the late war had aroused hostility throughout the entire country against Germany. The second, a conversation which had taken place during the World War between our Ambassador to Germany, Mr. James Gerard and Zimmerman, who was Acting Secretary of State for Foreign Affairs of the Reich at that time. Zimmerman had stated to Gerard that the United States could not enter the war because there were five million Germans in the United States who would prevent by force, if necessary, any such action. Mr. Gerard had replied that if there were five million Germans in the United States who would prevent by force, if necessary, any such action, there were five million and one lamp posts. Goering did not seem to get the point with absolute clarity. I, therefore, added, "and you will understand that, if, as you have said, there are six million Germans in the United States today, who could be organized to influence the action of the United States Government, there are a great many more than six million tree limbs on which to hang them."

Goering seemed to find this remark entirely reasonable and in a more friendly and intimate tone asked, "What then can we do to improve our relations with the United States?" I replied that he had an excellent ambassador in Washington at the moment who could doubtless inform him better than I could on this subject.

I then asked Goering for his views with regard to the Far East. He said that he believed the Japanese would win the war and succeed in imposing on China precisely what they should desire to impose. I asked Goering if he knew precisely what that was. He said that he believed that the Japanese aim was to organize the Northern Provinces of China thoroughly as a base from which to attack the Soviet Union, since it was obvious that Japan would be compelled to attack the Soviet Union owing to the geographic position of Vladivostock. The Japanese desired to have Central and South China in relative chaos and impotence until they had finished with the Soviet Union.

At this point, Goering asked me why the United States had begun to build battleships for the Soviet Union. I replied that

I had no information to the effect that the American Government was building battleships for the Soviet Union and I considered such a report highly improbable. Goering said that his information indeed was rather vague on this point.

I asked him what his views were with regard to the Soviet Union at the present time. He said that in his opinion the Red Army on the European frontier had ceased to be a serious fighting force if indeed it had ever been one. He said that the reports of the prowess of Soviet aviation in Spain were extraordinarily misleading. German officers in Spain had analyzed in detail the debris of all Soviet planes that had been shot down behind Franco's lines. They had discovered that every Soviet plane which had flown with conspicuous success in Spain had been of American manufacture. I asked him if he meant manufactured in Russia on American models. He replied in the negative, and said that the Russians had actually sent to Spain not planes manufactured in Russia on American models but planes every part of which had been manufactured in America. That explained the excellent performance of these particular planes. All his information was to the effect that planes actually manufactured in Russia copying American models were of such inferior workmanship that they could not compare with planes actually built in America. Furthermore, this was true with regard to all Soviet industrial products. They might turn out five thousand tractors in a year but it was extremely improbable that a single one of those tractors would be running two years after it had been put in use. Furthermore, the service of supply of the Russian Army today was in as lamentable condition as it had been in the time of the Czar. In the time of the Czar the Russian Armies at the front were frequently without food or munitions. The service of supply then had been controlled largely by Jews. It was still controlled largely by Jews and, if the Soviet Union should attempt to make war on the European frontier, he would expect a complete collapse of the Soviet Armies because of bad organization. He did not think that today there was the faintest chance of the Soviet Union attempting any offensive operations on the European frontier.

Goering said that he believed the Soviet Army in the Far East was better organized than the Soviet Army on the European frontier; but he felt confident that in spite of the increasing weakness of Japan, the Soviet Union would not dare to intervene in the Sino-Japanese conflict. He then said that the Japanese Army had shown itself to be considerably weaker than expected and that the Chinese, with totally inadequate weapons, had made a very fine defense due in part, he felt, to the presence of German staff officers with the Chinese armies.

Goering then said that he was surprised to learn that the United States was building battleships which could not possibly pass through the Panama Canal. I replied that I believed his statement was entirely erroneous. He said that he could not admit this; that his information was positive. The newest American battleships could not possibly go through the Panama Canal. I told him that we would have to disagree on this point. He then said that no matter whether we could put our new battleships through the Canal or not, we could do nothing in the Far East to interfere in any way with Japan.

I was indiscreet enough to remark that the combined American and British fleets might be powerful enough to do something although neither Great Britain nor the United States had any desire for conflict with Japan. Goerng replied, "You know that the British Fleet can not operate anywhere at the present time. It is completely pinned down by ourselves in the North Sea and by the Italians in the Mediterranean."

Goering then said that he hoped I realized there was an intense desire on the part of the German Government to develop better relations with the United States and on this note, pleasantly, our conversation ended.

PARTIAL TRANSLATION OF DOCUMENT L-152

COPY

Nr. 7479/41 II B 4

Nurnberg Nov.3.1941

Secret State Police
Gestapo Office Nurnberg-Fuerth
TO
the Rural Councillors of Districts Oberfranken, Mittelfranken and Mainfranken
the Police Direction Hof,
the Police President in Wuerzburg
the Mayors of the Cities of Ansbach, Aschaffenburg, Bayreuth, Coburg, Erlangen, Schweinfurt
the Secret State Police-Detachment Wuerzburg
information to District Presidents in Ansbach & Wuerzburg

Subject: Attitude of persons of German blood towards Jews

For your information and attention I am publishing the following order of the RSHA of October 24, 1941. "Lately it has repeatedly become known here that, now as before, Aryans are maintaining friendly relations with Jews, and that they show themselves with them conspicuously in public. In view of the fact that these Aryans still do not seem to understand the elementary basic principles of National Socialism, and because their behavior has to be regarded as disrespect towards measures of the State, I order that in such cases the Aryan party is to be taken into protective custody temporarily for educational reasons; respectively, in serious cases, that they be put in a concentration camp, Grade I, for a period of up to three months. The Jewish party is in any case to be taken into protective custody until further notice and to be sent to a concentration camp.

By order

signed: Dr. Grafenberger
a true copy
(S) signed: Martius
Clerk

TRANSLATION OF DOCUMENT L-154

[handwritten] PG. Buckemueller
Gauleiter Service, 25. February 1945

The Gauleiter and National Defense Commissioner of the Gau Westfalen-South

1. To all County Councillors, Mayors and police officials
2. To County Leaders, for information
3. County Staff Chiefs of the Volkssturm are to give corresponding instructions to the men of the Volkssturm.

Fighter-bomber pilots who are shot down are on principle not to be protected against the indignation of the people. I expect from all police offices that they will refuse to lend their protection to these gangster types. Authorities acting in contradiction to the popular sentiment will have to account to me. All police and gendarmerie officials are to be informed immediately of this my attitude.

[signed] Albert Hoffmann

Taken down:
Schmidt
initialed by:
Buckemueller
(SA-Obersturmbannfuehrer and County Staff Chief of the Volkssturm)

SECRET

Copy

The Commissioner for the Four Years Plan
The Plenipotentiary General for Manpower

Berlin S.W.11, Saarlandstr. 96
26 March 1943

VI a 5431/2008/43 g

To the Presidents of the "Landes" Employment Offices
Re: Removal of Jews

At the end of February Reich Leader SS, in agreement with myself and the Reich Minister for Armaments and Munitions, for reasons concerning the security of the State, removed from their places of work all Jews who were still working freely and not in camps and either transferred them to a labor corps or collected them for removal [Fortschaffung]. So that the lightning character of the measure be protected, I have avoided to give you any prior notice and have informed only those Employment Offices in whose areas unattached Jewish labor was employed in larger numbers.

In order to gain an idea of the effect of this measure on the employment situation, I request you to report to me, as of 31 March 1943, to what extent Jews have been removed from employment and replacement through other forms of labor has become necessary. In supplying this information the number of firms and of Jews employed by these firms is to be based on the conditions which prevailed prior to evacuation. The enclosed form is to be used for the report. In so far as foreign labor has been requested and supplied as replacement, I request that this be noted in cols. 5 and 6 in red figures, distinct from the total figures.

Furthermore I request that I be informed of any special observations made in the course of this action, particularly concerning the effects it has had on the most important industries and the methods used by the firms themselves to compensate for their losses through internal reorganization.

Please, submit these reports by 10 April 1943.

Signed [signature illegible]

TOP SECRET

The Commander of the Security Police and the
SD of the Radom District
IV A1—No. 313/44 gRs.

Radom, 28 March 1944
11 Copies from the 26th Copy
4th Copy

To All Branch Offices (except Radom)—
sealed matter address—and Section V.

The Commander of the Security Police and the SD
of the Radom District Branch Office.
Rec. 30 March 1944
Section IV A Journal No. 11/44

Subject: Measures to be taken against escaped officer and non-commissioned officer POWs who are exempt from work, with the exception of British and American POWs on recapture.

On the 2.3.44. the Chief of the Sipo and SD, Berlin, forwarded the following OKW order:

1. On recapture every escaped officer and non-working NCO POW, with the exception of British and American POWs, no matter whether he escaped from a prisoners' convoy, during a mass escape or by himself, is to be handed over to the Chief of the Sipo and SD, with the key word "Grade III (Stufe III)".

2. As the fact that POWs are being handed over to the Sipo and SD must under no circumstances become known to outsiders, other POWs must not be informed of the recapture in any case. The Wehrmacht recaptured persons have "escaped and not been recaptured". Their mail should be dealt with accordingly. The same information should be given in reply to inquiries by the protecting power, the International Red Cross and other similar institutions.

3. Should escaped British and American officers or nonworking NCOs be recaptured, they are temporarily to be placed under guard in the custody of the police, outside of the POW camp and out of sight of POWs.

The decision as to whether or not they should be handed over to the Chief of the Sipo and SD is to be asked for immediately in each individual case by the "W.Kdos." from the OKW/OIC. Prisoners-of-War" [Chef Kriegsgef.]

In this connection the Chief of the Sipo and the SD has issued the following instructions:

1. The Stapo Leitstellen will take over from the camp com-

mandants the escaped officers who have been recaptured and take them in accordance with the procedure hitherto in force, should circumstances not necessitate special transport, to the Mauthausen concentration camp. During the transport—not on the way to the station, if this could be seen by the public—the POWs are to be chained. The camp commandant of Mauthausen is to be informed that the prisoners are being handed over under the operation "Bullet" [Kugel]. The Stapo Leitstellen will make half-yearly reports, giving the numbers only of the handing over of POWs. The first will be made on the 5.7.44. The reports are to be made referring to: "Treatment under the operation "Kugel" of escaped officer POWs who have been recaptured." Any special incidents have to be reported immediately. Detailed lists are to be maintained at the Stapo Leit-Stellen.

2. In the interests of camouflage the OKW has been asked to instruct POW camps not to send recaptured POWs direct to Mauthausen but to hand them over to the local Stapostelle.

3. Should suitable Wehrmacht accommodations not be available escaped British and American officers and non-working NCOs who are recaptured should be placed in the custody of the police at a place where there is a Stapodienststelle. In view of the already overcrowded conditions in police prisons, these recaptured prisoners can only be taken over by the Stapo only if suitable Wehrmacht accommodations are actually unavailable. On receipt of this order contact should be made immediately with the Stalag commandants regarding accommodation. In the interests of keeping this order secret there can be no question of accommodating them outside police prisons, esp. in labor training camps.

4. If escaped officer and non-working NCO prisoners-of-war, with the exception of British and American POWs, are recaptured by police stations and it appears inopportune, they need not be handed over to the Stalag command after the findings have been established beyond doubt [nach eindwandfreier Klaerung des Sachverhaltes] for reasons of expediency. The Stalag should be informed of the recapture and asked to hand them over with the key words "Stufe III". Escaped British and American officers and non-working NCOs are always to be handed over to the Wehrmacht.

5. The local [Ort] and county [Kreis] police authorities are not to be informed of this order.

The list of the recaptured officers and non-working NCO prisoners-of-war will be kept here by IV A1. To enable a report to be made punctually to the Chief of the Sipo and SD, Berlin, statements of the numbers involved must reach Radom by the 20.6.44.

Signed: ILLMER [Typewritten]
Certified: MATHEI Clerk

DISTRIBUTION:

Tschenstochau	— 1	Yedrzejour	— 1
Radomsko	— 1	Busko	— 1
Petrikau	— 1	Starachowice	— 1
Tomaschow	— 1	Ostrowiec	— 1
Kielce	— 1	Abt. V	— 1
Knoskie	— 1		— 11

DOCUMENT L-159

ATROCITIES AND OTHER CONDITIONS IN CONCENTRATION CAMPS IN GERMANY

[See Senate Document No. 47, 79th Congress 1st Session]

PARTIAL TRANSLATION OF DOCUMENT L-161

BRITISH WAR OFFICE REPORT
M. I 19 (R.P.S.) / 2638 31 May 1945

Report
Poland

OSWIECIM (AUSCHWITZ) CONCENTRATION CAMP

Interrogation of—French student

"42. During July 1944 they were being liquidated at the rate of 12,000 Hungarian Jews daily, and, as the crematoria could not deal with such numbers, many bodies were thrown into large pits and covered with quick lime."

PARTIAL COPY OF DOCUMENT L-165

POLISH
FORTNIGHTLY REVIEW,
Polish Ministry of Information
No. 58 London, Tuesday, December 15th, 1942, Page 7.

THE JEWISH FOOD SITUATION

The Jewish section of the population, as we know, is subjected to general living conditions which are still worse than those of the Poles, and the uncertainty of life for them is increased by the continually changing orders and regulations affecting their day-to-day existence. In regard to food supplies, they are brought under a completely separate system, which is obviously aimed at depriving them of the most elemental necessities of life.

The separate and isolated quarters of towns which the German authorities have assigned as ghettoes for the Jewish inhabitants are theoretically autonomously administered and are completely cut off from the outside world. They are under the supervision of special German commissaries, who have unrestricted powers. Economic life inside the ghetto, and in particular the question of food supplies for its inhabitants, is in the hands of the Jewish Council [Judenrat]. All trade and commodity exchange, including the supply of foodstuffs, goes on through a special German organ known as the Transferstelle. This department is responsible for allocating and selling to the ghetto all kinds of goods, including food, as the respective German food or other departments allow at any moment. The goods thus obtained by the ghetto are distributed to the shops by the "Supplies Establishment," which is a special department under the Jewish Council.

As a rule, the ghetto receives foodstuffs of two main categories. The first group consists of rationed goods, which are allocated in accordance with the number of inhabitants and on a ration unit basis. It includes the main food articles such as bread, meat, sugar, fats, etc. The second category consists of goods which are not rationed in the strict sense of the word, but of which the sale to Jews is controlled and for which permission has to be given on each occasion by the German authorities. No article of food not included in either of these two categories can be sold to Jews, either outside or inside the ghettoes. In May, 1941, the German authorities gave permission for barely 154 tons of vegetables to be taken into the Warsaw ghetto, this amount working out at about two-thirds of a pound per person per month. And this was a comparatively high quota, for in the previous month only 48 tons had been allowed to come on to the ghetto market. In June, 1941, the quota of potatoes assigned to the ghetto was 67 tons and other vegetables 189.5 tons. In August there was some improvement in the situation, for the German authorities permitted the import of 100 tons of vegetables weekly into the ghetto, this working out at nine ounces per person.

The quantity allowed in the ration is continually changed, the tendency being to reduce the allotted quantities. The possession of a ration card is by no means a guarantee that a ration will be obtainable. From information received through neutral sources, the weekly rations of the most important articles of food in the

Warsaw ghetto during a certain unspecified period of 1941 were as follows:

	Bread	Meat	Sugar	Fats
In grammes	420	125	45	25
In ounces (app.)	14 6/7	4½	1 3/5	9/10

Conditions were somewhat better in Cracow, where in March, 1941, the weekly ration for Jews was:

	Bread	Meat	Sugar	Fats
In grammes	1,000-1,090	None.	50	30
In ounces (app.)	36-39 1/5	....	1 4/5	1

The above figures call for no comment.

In such conditions the starving Jewish population has to resort to the purchase of food on the ghetto black market, which is supplied by smuggling over the walls at the danger of life, and by the extensive bribery of the German guards. Naturally, prices on the ghetto black market are considerably higher even by comparison with those on the Polish black market. The following figures relating to the autumn of 1941 (in Warsaw) illustrate this disparity:

	Per kilo. (2¼ lbs.) Polish black market	Ghetto black market
Bread	15 zlotys.	32 zlotys.
Potatoes	4.31 zlotys.	8.50 zlotys.
Fats	45 zlotys.	90 zlotys.

(Pre-war exchange rate was about 25 zlotys to the pound.)

Thus, while the rations for Jews are only a half or a third of the rations for Poles, the prices on the black market are twice as high. A Jewish worker employed on forced labor, and receiving four zlotys a day (about 3s. 4d.) could at that time (autumn, 1941) buy for that amount only half a kilo (1⅛ lb.) of potatoes; a Jewish tailor earning 50 zlotys weekly could buy only half a kilo of fats.

Therefore the only hope of survival for the great majority of the Jews was in the communal assistance provided by the Jewish Council and various charitable organizations. In the summer of 1941 soup kitchens in the Warsaw ghetto were providing some 120,000 portions daily. This represented assistance to barely 25 percent of the total number of inhabitants, and only half the number actually needing help.

The terrible shortage of food, coupled with the serious overcrowding and insanitary conditions of the ghettoes, has led to a fearful increase in the mortality rate from month to month. In August, 1941, there were 5,620 deaths in the Warsaw ghetto, while in June, 1941 (the latest month for which figures have been available), there were only 396 births. The inevitable decline in ghetto population thus resulting was compensated for by the continual influx of Jews driven into the ghettoes by the German authorities, who rounded them up not only from all over Poland, but from almost all Europe.

In July, 1942, the German authorities started a process of wholesale extermination of the Jewish population of the ghettoes.

TRANSLATION OF DOCUMENT L–166

Most Secret Document.

Ia Flieg.
No. 4041/44 g.Kdos.

19.5.44

Minutes of Conference on Fighter Aircraft with the Reichsmarschall on 15 and 16.5.44.

1. General Galland describes the situation regarding fighter personnel. Losses from day operations in April:

	Percent
Flight Reich	38
Flight 3	24
Flight 2	18.2
Flight 5	12
Flights 4, 6 and 1, total	11

During April there was a total loss of 489 pilots (of which 100 were officers) as against a reinforcement of 396 pilots (of which 62 were officers).

2. *Remedial measures.* a. General Galland proposes to withdraw all fighter pilots from the staffs insofar as they are capable of flying.

b. General in charge of flying instructions has made available about 80-100 instructors.

c. Some suitable pilots are also to be transferred from the night fighter sector to the day fighter.

d. The Reichsmarschall emphasizes that special value is to be laid on solid instruction, particularly of the older pilots who are transferred from other sectors.

3. To remedy the matter further General Galland proposes:

a. The withdrawal of two fighter groups from the East, re-equipment and incorporation in the Reich defense. The Reichsmarschall agrees. Order given in the meantime (II./JG 5 and IV./JG 54). In this connection the Reichsmarschall orders the expediting of the conversion of the ground attack aircraft to Fw. 190.

b. The transfer of the II.SG 2 from the ground attack sector to the fighter sector. In this group there are 11 pilots with 5-90 enemy aircraft to their credit. This is refused the following day by the Reichsmarschall, after the report of the chief of the general staff. If this is not possible General Galland proposes that the ground attack sector should transfer all pilots with more than five enemy aircraft to their credit.

On the following day, on the proposal of the chief of the general staff, the Reichsmarschall decides that ground attack pilots are only to be transferred voluntarily to the fighter sector. [Marginal note: Op. 1]. The efficacy of ground attack arm must not be definitely prejudiced by these measures.

c. In order to save Verbandsfuehrer, the disbanding of 3 groups of single-engined night fighters and the transfer of the planes and pilots to the remaining six single-engined night fighter groups. At the same time 2 squadrons of single-engined night fighters will be disbanded. [Marginal note: Op 1/2 Section]. The Reichsmarschall agrees in principle, taking into consideration the high loss in material of the single-engine night fighter planes in proportion to the results.

d. Withdrawal of fighter groups of Flight 3 and their inclusion in the Reich defense. Refused by the Reichsmarschall.

4. General Galland proposes that every group captain who, by reason of illness, wounds or otherwise, is unfit for duty for more than 14 days, shall be replaced. [Marginal note: LP (hat).] The Reichsmarschall does not agree. Each case to be considered individually. Generally speaking 4 weeks to be the standard. General Galland to form a reserve of group captains and squadron leaders from which pilots can be replaced as they fall out. This reserve is to be formed as a training group.

5. General Galland proposes—in order to improve training—the continuous withdrawal of 1 fighter group per division for a period of 8 days to 4 weeks. [Marginal note: Op 1.] The Reichsmarschall agrees, taking into consideration the addition of the two fighter groups from the East. The Reichsmarschall wishes all fighter units to have their own shooting grounds. General Galland to advise the Reichsmarschall when this is carried out.

6. The Reichsmarschall orders each long range fighter squadron to be combined with a fighter group, to be maintained especially strong and to be sent up again against the enemy as soon as possible. To be employed at the limit of the range of enemy fighters, viz. over Berlin, Vienna or Munich. The Reichsmarschall expects satisfactory results with bearable losses by means of this closely combined fighter protection.

To this is to be added and placed under its command the ZG 26 single-engine night fighter group from the Berlin operational area and the ZG 76 single-engine night fighter group from Vienna. [Marginal note: Op 1.] The principal task of these two groups is long range fighter protection, *at the same time* further carrying out single-engine night flying.

Of the other single-engine night fighter groups, one group is to be appointed to the Dortmund operational area and one group to the Frankfurt operational area. (The remaining groups not allocated by the Reichsmarschall.)

7. With regard to the equipment of the long range fighters with 5 cm. guns, the Reichsmarschall will hear a report based on practical experience. [Marginal note: T.] Regarding the proposal of General Galland it was decided that until further notice only one long range fighter group (II./ZG 26) should be equipped with 5 cm. guns. I.ZG 76 is to receive as first group 2 automatic (MK) guns 103 (also 2 machine guns (MG) 151 and 2 MG 131), whilst all other long range fighter groups (Me 410) receive the normal armament of 4 MG 151 and 2 MG 131. They may possibly also be equipped later with 2 MK 103 instead of with 2 MG 151.

8. The Reichsmarschall wishes that the incorporation of the long range fighters into the Reichs defense shall be adhered to until further notice. [Marginal note: Op.] The proposal to send long range fighters to other theatres of war (Southwest, East, North) is categorically refused by the Reichsmarschall on account of their inferiority to enemy fighters.

9. General Galland reports that at the moment the repair docks do not work quickly enough. According to the situation at the beginning of May, as many as 287 night fighters are in the repair docks.

The Reichsmarschall orders the personnel of the repair docks to be increased by GL. (Notification through adjutant of the Reichsmarschall).

10. The principal anxieties of the night fighters, as expounded by General Galland are:

a. The danger of the destruction of the SN 2 after the landing of a SN 2 plane in Switzerland. Remedy: SN 3 and Neptun I.

b. Combats with mosquitoes. Remedy: Employment of He 219 with G-loader and/or Me 109 and 190 with GM.1.

11. General Galland will demand that the fighter staff gives preference in greater numbers to the technically improved fighters. These are:

Me 109 (AS), Me 109 K (DB605D), Me 109 H 2
(larger surface)
Fw 190 (TS), Fw 190 (Jumo 213a), TA 152 (Jumo 213 e).

12. Major general Schmidt requests the strengthening of the divisional command groups. [Marginal note: 2 Section.] To that end: authorization by head for the Ia, creation of a Ia-night in addition to the Ia-day. It was pointed out to the Reichsmarschall that the Ia-day as well as the Ia-night is provided for by the K.St.N.

13. General Schmidt requests the appointment of an A. A. gunnery control officer to the staff of the I. fighter corps corresponding to the A. A. gunnery commander in the fighter divisions. General Schmidt reports that the subordination of the A. A. gunnery control officer to the Territorial Administrative H.Q. of the Luftwaffe has not been maintained, because, as previously, in case of doubt the Luftgau commander decides regarding the limitation of fire etc. General v. Axthelm was in agreement. [Marginal note: Ia AA, Chief Commander has (?) sent F.S. for (?) information Chief Gen. Staff—20/5.]

The Reichsmarschall orders a conference between the chief of the general staff and the chief of the A.A. artillery as soon as possible.

14. General Schmidt requests that information for the civil population regarding the air situation shall be announced by the fighter divisions. Information given on the basis of the air situation reports of the A.A. does not altogether agree with the actual air situation. It was therefore pointed out that by reason of the reorganization of the aircraft reporting service, whereby the fighter divisions are responsible for the situation reports (also the A.A.), this question may be considered solved.

15. General Schmidt requests immediate subordination of Jafue Ostmark to I Fighter Corps and the re-naming of Jafue Ostmark as 8 Fighter Division, on completion of the organization of the news service. [Marginal note: Op 1 / 2 Section.]

The Reichsmarschall next considered the protection of the Linz-Steyr industries, and, after General Schmidt had represented the unification of the forces of the 7 Fighter Division and of the Jafue Ostmark in this area, as the task of the I Fighter Corps, with immediate subordination of the Jafue Ostmark to the I Fighter Corps, the Reichsmarschall declared himself to be in agreement.

16. General Schmidt requests the transfer of the fighters of the 7 Fighter Division from the Munich and Frankfurt operational areas to the Ansbach-Nurnberg operational area, in order to make it possible to throw a serried mass of 4-5 fighter groups against the enemy.

The Reichsmarschall agreed. He again emphasized the importance of condensing the fighter strength into at least squadrons, if possible, divisions. Moreover of accommodating it in one operational area, in spite of the danger of this area being useless on account of weather conditions.

General Schmidt requests the transfer of the II./JG 27 from the sphere of the 7 Fighter Division to Jafue Ostmark, in order to bring this group up to full strength again in its squadron. The Reichsmarschall is himself in agreement, but wishes to discuss the matter with the chief of the general staff. Chief of the general staff in agreement. Order can be promulgated.

17. General Schmidt, in agreement with General Galland, requests the detaching of the Verbandsfuehrer training course from the I./JG 27.

18. General Schmidt requests the retention of fighter groups in the Reich, also in the case of "Dr.G.". The Reichsmarschall decides that only the III groups of the fighter squadrons can remain in the Reich, by the drafting of those pilots and planes operationally fit, in accordance with the orders already given.

19. The Reichsmarschall wishes the testing of defense and dispersal measures by Iw.Fuest on low level attacks on airfields causing considerable loss in personnel and material. [Marginal note: Op. 1; I a Flak dealt with 20/5.]

The Reichsmarschall desires the improvement of the training of the aerodrome company in the shooting with AA weapons.

20. The Reichsmarschall will propose to the Fuehrer that American and English crews who shoot indiscriminately at towns, moving civilian trains, or parachuting soldiers shall be shot immediately on the scene of action. [Marginal note: I c.]

21. With reference to a report by General Schmidt regarding difficulties in the training of fighters in Myo, the Reichsmarschall emphasized that he laid particular value on the fact that, in accordance with his previous orders, the Verbandsfuehrer, as

senior officer at each aerodrome decides such questions and can, if necessary, give orders. [Marginal note: 2 Section.]

22. General Schmidt requests the replacing of I and III.NJG 5 under the command of I Fighter Corps. The Reichsmarschall refuses this replacement on the ground of operational requirements, but agrees to the replacing of these groups under their squadrons for service duties, and at the same time agrees to the organization of base aerodromes for these groups in southern Germany.

23. Major General Kreipe requests the increase of the monthly allowance of motor fuel to 60,000 tons. The Reichsmarschall decides that on the basis of the documents produced, the general in charge of air training shall receive 50,000. [Marginal note: 4 Section.]

24. Major General Kreipe reports that the monthly voluntary contingent for aircrews is still sufficient, *but that difficulties will arise in the autumn.* [Marginal note: 2./6 Section.] The Reichsmarschall orders immediate employment of remedial measures (relative letter to OKW).

(Sd.) illegible.

Distribution:

Chef Ia., also Chef Fuest.
Chefgr. Gen.Qu, also f.2.,4 6 Section.
Ia/Flieg also f. Ia/Flak and I c.
Ia op 1 also f. Ia/T.
Rough Draft Ia.

Chamber of Industry and Commerce Koblenz District
Idar-Oberstein
Koblenz, 22 May 1942
43 Emil Schueller Str.
Tel. 2501

The Regierungspraesident,
Office of Economy for the
economic district of Moselland
B 3/18/1083/42 g
Vo/Li/Schl.

SECRET

Circular Order No. 279/42 IHK—251/42 HwK
To the Chambers of Industry and Commerce
and Chambers of Artisans
in the economic district of Moselland.
Personal Address or official deputy
Subject: Use of public transportation by Jews.

Forwarded enclosed is copy of an order of the Reichminister of the Interior of 24 March 1942 (Pol. S. IV B 4 b) (940/4-6-) 1155/41-33 for information.

By order
Signed: Dr. Vollweiler

For information
Office of Economy Luxemburg
Gauleitung (Gauwirtschaftsamt) Koblenz
[Seal] Certified:
[illegible]
Clerk

Copy

The Regierungspraesident
Leadership Staff Economy
for the War Economy District XII
A/514/1116/42g Sch.
Wiesbaden, 12 May 1942
48 Wilhelmstrasse
Telefon 5 94 81

SECRET

To the Chambers of Industry, Commerce and Artisans for the War Economy District [Wehrwirtschaftsbezirk] XII.

Subject: Use of public transportation by Jews.

Enclosed is forwarded the copy of an order of the Reichminister of the Interior on the use of public transportation by the Jews.

The permits for the use of public transportation are to be issued exclusively by the local police authorities. Consideration is only to be given to the following:

1. when drafted for work.
2. for school children.
3. for Jewish legal counsels.

Jews, being employed, are requested by the Reichorganization of Jews in Germany to report at the office of the Employment Service for issue of the permits in question. Only such Jews will be permitted to use public transportation, who prove through a certificate from the Employment Service that they have to cover a distance of one hour or seven km (one way only). The certificates of the Employment Service will show place of work and residence of the Jews. The certificates of the Employment Service should in the case of shiftwork show corresponding entries. In the case of group employment of Jews the issue of a collective certificate is sufficient.

By order
Signed: SCHOENING (S)
Certified
[illegible signature]
Clerk

Copy of Copy

The Reichminister of the Interior Berlin, 24 March 1942
Pol. S IV B 4 b (940/41-6-) 1155/41-33-Special Delivery

Subject: Use of public transportation by Jews.
Reference: Our circular orders of 15 September 1941
and 16 February 1942—Pol. S IV B 4 b Kr.94041-6-
Enclosures: one of each (sample B)

With regard to the fact that complaints on disturbances through the use of public transportation (street cars, subway, buses, in Berlin also the S-railway) by Jews increase constantly, the following new traffic restrictions re use of public transportation by Jews *within their community* are issued in agreement with the Reichminister of Transportation and the Reichminister of Postal Services and under alteration of the current regulations, esp. the one cited in circular order referred to above, regarding police order re identification of Jews of 15 September 1941.—Pol. S. IV B 4b—No. 940/41-6.

1. According to the police order re identification of 1 September 1941 (RGBL. I. S.547) and in accordance with our respective

circular orders of 15 September 1941 and 16 February 1942—Pol. S IV B 4 b—No. 940/41—6, Jews are required to display the Jewish Star; in every case when travelling *within their community* these Jews are to carry with them a police permit, a smaller form of enclosed new sample B, issued for the use in that public transportation. In special cases, for instance when employed in groups, a collective permit can be issued.

2. The hitherto existing exclusive competence of the local police authorities for the issue of *these* permits is to be maintained.

3. Permits are to be issued only:

a. When drafted for work (inclusive work for officially recognized Jewish organizations), provided it is proved on the part of the Jew through an official certificate of the competent office of the Employment Service that one hour or seven km (one way only) is needed to reach the place of work (in the case of definitely permanent sick persons or invalids as well as disabled war veterans a relatively shorter distance is sufficient).

b. To schoolchildren, if it is proved through a certificate of the competent supervisory schoolboard that at least one hour *or* five km (one way only) are needed to reach the school (in the case of definitely permanent sick persons or invalids an accordingly shorter distance is sufficient).

c. and to Jewish legal counsel, medical technicians, and midwives who present their official authorization or concession.

4. As a rule only *one* specifically defined public means of transportation (for instance the street car) is to be free for use.

5. The permits for the use of public transportation are issued regularly with a time limit of one year in order to save work and paper as far as they do not concern specific trips. After expiration of this time limit a new permit is to be issued upon request, provided that the necessary requirements still exist, with the stipulation that the Jew has to return the last permit issued to him. In addition to that the Jews are under obligation generally to return the permits in case the circumstances under which the permit was originally issued no longer exist.

6. The necessary permits, according to enclosed sample B, are to be requested *not later* than 10 April 1942 from the intermediate authorities of the general inner administration of the RSHA, Dept. IV B 4, Berlin SW 11, Prinz-Albrechtstr.8.

7. Infractions of this order are to be punished with protective custody by the competent authorities of the State Police [Staatspolizeileitstellen].

8. This regulation becomes effective 1 May 1942. Any different local regulations are herewith rescinded.

9. The eventual issue of detailed regulations through the Reichminister of Transport or the Reichminister of Postal Services is reserved.

10. The current prohibitions, restrictions, regulations, and executive orders remain in force. The above traffic regulations are to be brought to the attention of the Jewish organizations through the competent authorities of the state police in the Reichsgaue of Vienna, Carinthia, Lower-Danube, Upper-Danube, Salzburg, Styria, Tyrol and Vorarlberg, in the incorporated eastern territories (Danzig-West Prussia, Warthe-land East-Upper Silesia, South East Prussia with Zichenau and district Bialistock) for strict compliance on the part of the Jews.

By order
signed Heydrich

TRANSLATION OF DOCUMENT L–172

THE STRATEGIC POSITION IN THE BEGINNING OF THE 5TH YEAR OF WAR

Lecture by the Chief of the General Staff of the Armed Forces (West) to the Reich and Gau leaders, delivered in Munich on 7 November 1943.

I. *Review of the most important questions of development up to the present.*

II. *The Italian betrayal, how it was parried, and its consequences.*

General Outcome:

III. *The present situation.*
  Consideration of the individual theaters of war and their characteristic features.
  Finland
  Norway
  Denmark: Keystone of communications with Norway.
  France with the Netherlands and Belgium the battlefield of the year '44.
  Italy: A narrow front with deep flanks.
  The Balkans: Guerilla warfare—Supply
  The East: Comparison with the Western front, 1917/18

IV. *The enemy*—His resources and their grouping. His further strategic intentions.

V. *The morale of the confederates and neutrals.*

VI. *The problems of the German Command in this situation of the struggle along the inner line.*

a. The distribution of forces throughout the theater of war as a whole.

b. The formation of operative reserves.

c. Comparison between requirements in soldiers and munitions workers.

d. Exhaustion of manpower reserves in the territories under one domination.

The problem of the Confederates and of alien soldiers.

e. Mastering the enemy terror raids from the air.

f. The renewal of effective U-boat warfare.

VII. *The foundations of our morale and our confidence in victory.*

a. The German people and its leadership.

b. The German armed forces.

c. The ethical and moral foundation of our struggle.

d. The unified political and military aim of the Confederates [Verbundeten], protection from Bolshevism.

e. Unified political and military command.

f. The diverging political, military, social and economic tendencies of our opponents, the moral inferiority of our opponents in the West and the purely materialistic foundations of their struggle.

g. The genius at the head of the command.

Introduction

Reichsleiter Bormann has requested me to give you a review today of the strategic position in the beginning of the 5th year of war.

I must admit that it was not without hesitation that I undertook this none too easy task. It is not possible to do it justice with a few generalities. It is not necessary to say openly what is. No one—the Fuehrer has ordered—may know more or be told more than he needs for his own immediate task, but I have no doubt at all in my mind, Gentlemen, but that you need a great deal in order to be able to cope with your tasks. It is in your Gaus, after all, and among their inhabitants that all the enemy propaganda, the defeatism, and the malicious rumors concentrate that try to find themselves a plan among our people. Up and down the country the devil of subversion strides. All the cowards are seeking a way out, or—as they call it—a political solution. They say, we must negotiate while there is still something in hand, and all these slogans are made use of to attack the natural sense of the people that in this war there can only be a fight to the end. Capitulation is the end of the Nation, the end of Germany. Against this wave of enemy propaganda and cowardice you need more than force. You need to know the true situation and for this reason I believe that I am justified in giving you a perfectly open and uncolored account of the state of affairs. This is no forbidden disclosure of secrets, but a weapon which may perhaps help you to fortify the morale of the people. For this war will not only be decided by force of arms but by the will to resist of the whole people. Germany was broken in 1918 not at the front but at home. Italy suffered not military defeat but morale defeat. She broke down internally. The result has been not the peace she expected but—through the cowardice of these criminal traitors—a fate a thousand times harder than continuation of the war at our side would have brought to the Italian people. I can rely on you, Gentlemen, that since I give concrete figures and data concerning our own strength, you will treat these details as your secret; all the rest is at your disposal without restriction for application in your activities as leaders of the people.

The necessity and objectives of this war were clear to all and everyone at the moment when we entered upon the War of Liberation of Greater Germany and by attacking parried the danger which menaced us both from Poland and from the Western powers. Our further incursions into Scandinavia, in the direction of the Mediterranean and in that of Russia—these also aroused no doubts concerning the general conduct of the war so long as we were successful. It was not until more serious set-backs were encountered and our general situation began to become increasingly acute, that the German people began to ask itself whether perhaps we had not undertaken more than we could do and set our aims too high. To provide an answer to this questioning and to furnish you with certain points of view for use in your own explanatory activities is one of the main points of my present lecture. I shall divide it into three parts:

I. A review of the most important questions of development up to the present.

II. Consideration of the present situation.

III. The foundations of our morale and our confidence in victory.

In view of my position as military adviser to the Fuehrer, I shall confine myself in my remarks to the problems of my own personal sphere of action, fully appreciating at the same time that in view of the protean nature of this war, I shall in this way be giving expression only to one side of events.

I. Review

1. The fact that the National-Socialist movement and its struggle for internal power were the preparatory stage of the outer liberation from the bonds of the Dictate of Versailles is not one on which I need enlarge in this circle. I should like however to mention at this point how clearly all thoughtful regular soldiers realize what an important part has been played by the National-Socialist movement in reawakening the will to fight [Wehrwillen]; in nurturing fighting strength [Wehrkraft] and in rearming the German people. In spite of all the virtue inherent in it, the numerically small Reichswehr would never have been able to cope with this task, if only because of its own restricted radius of action. Indeed, what the Fuehrer aimed at—and has so happily been successful in bringing about—was the fusion of these two forces.

2. The seizure of power in its turn had meant in the first place the restoration of *fighting sovereignty* [Wehrhoheit] (conscription, occupation of the Rhineland) and *rearmament* with special emphasis being laid on the creation of a modern armored and air arm.

3. The Austrian "Anschluss," in its turn, brought with it not only the fulfillment of an old national aim but also had the effect both of reinforcing our fighting strength and of materially improving our strategic position. Whereas up till then the territory of Czechoslovakia had projected in a most menacing way right into Germany (a wasp waist in the direction of France and an air base for the Allies, in particular Russia), Czechoslovakia herself was now inclosed by pincers. Its own strategic position had now become so unfavorable that she was bound to fall a victim to any attack pressed home with rigor before effective aid from the West could be expected to arrive.

This possibility of aid was furthermore made more difficult by the construction of the West Wall, which, in contradistinction to the Maginot Line, was not a measure based on debility and resignation but one intended to afford rear cover for an active policy in the East.

4. The bloodless solution of the Czech conflict in the autumn of 1938 and spring of 1939 and the annexation of Slovakia rounded off the territory of Greater Germany in such a way that it now

became possible to consider the Polish problem on the basis of more or less favorable strategic premises.

5. This brings me to the actual outbreak of the present war, and the question which next arises is whether the moment for the struggle with Poland—in itself unavoidable—was favorably selected or not. The answer to this question is all the less in doubt since the opponent—after all not inconsiderable in himself—collapsed unexpectedly quickly, and the Western Powers who were his friends, while they did declare war on us and form a second front, yet for the rest made no use of the possibilities open to them of snatching the initiative from our hands. Concerning the course taken by the Polish campaign, nothing further need be said beyond that it proved in a measure which made the whole world sit up and take notice a point which up till then had not been certain by any means, i.e., the high state of efficiency of the young Armed Forces of Greater Germany.

6. The main effect of this success was however that we now had no opponent in the East and that in view of the agreements with Russia the two-front problem might be regarded as for the time being solved.

7. As a result of all this the point of gravity in the conduct of the war naturally shifted to the West where the most urgent task was clearly defined as the protection of the Ruhr area from the invasion of Holland by the British and French. Even before the Polish campaign had been concluded the Fuehrer had already decided upon an attack against this enemy the aim of which could only be complete subjection of the opponent. The circumstance that this decision was not carried out—as originally planned—that is, in the late autumn of 1939—was mainly due to weather conditions but in part also influenced by our situation with regard to armaments.

8. In the meantime, however, we were confronted by yet another problem which must be settled promptly: the occupation of Norway and Denmark. The point here lay in opening up a theatre of war which while it lay outside the zone of immediate danger yet possessed twofold importance from the point of view of our general conduct of the war. In the first place there was danger that England would seize Scandinavia and thereby besides effecting a strategic encirclement from the North would stop the import of iron and nickel which was of such importance to us for war purposes. Secondly, it was realization of our own maritime necessities which made it imperative for us to secure for ourselves free access to the Atlantic by a number of air and naval support

points on the Norwegian coast. Here too, therefore, defensive and offensive requirements combined to form an indissoluble whole.

The course and conclusion of this campaign are known. In the main it was completed in such good time that it was possible to start upon the campaign in the West with the setting in of the most favorable season of the year, in May 1940.

9. The decisive success of this campaign improved our position in the best possible way. We gained possession not only of the French potential of armaments—destined to do us important service in the further course of the war—but above all the entire Atlantic coast fell into our hands with its naval ports and air support points. Direct threat to the British motherland had by this means become possible.

The question now arose whether or not we should carry the war into England by a landing on the grand scale. Furthermore —in view of the possible eventuality of the USA entering the war —it was necessary to take into consideration the occupation of a number of advanced support points in the Atlantic (for instance, Iceland and the Azores on which in the meantime the enemy had laid his hand). From these islands we should be able both to carry on particularly effectively the fight against British supplies and to defend the territory of Europe in exactly the same way as Japan now holds Greater East Asia secure by means of its island advanced bases in the Pacific. However, very wisely the Fuehrer refrained from adopting these objectives. Not alone their initial execution but the subsequent maintenance of communications by sea would have involved a measure of strength which our naval and air equipment could not have provided permanently.

10. Instead of these considerations the winter of 1940/41 provided another opportunity of combatting England. Although outwardly our action only took the form of aid to our Italian ally, yet ultimately the point at issue was British command of the seas in the Mediterranean which in its turn represented a heavy menace to the Southern flank of the European continent.

In the measure as the weakness and failure of Italy became more and more manifest, North Africa became more and more a German theater of war. Employing our forces in this way—incidentally, no great force was involved—appeared to be all the more justified since by this means strong British land, sea, and air forces, and a very considerable tonnage in the way of sea transport would be kept tied down, away from German "living space" [Lebensraum].

11. What was however less acceptable was the necessity of affording our assistance as an ally in the Balkans in consequence of the unnecessary expedition of the Italians against Greece. The attack which they launched in the autumn of 1940 from Albania with totally inadequate means was contrary to all agreement but in the end led to a decision on our part which—taking a long view of the matter—would have become necessary in any case sooner or later. The planned attack on Greece from the North was not executed merely as an operation in aid of an ally. Its real purpose was to prevent the British from gaining a foothold in Greece and from menacing our Roumanian oil area from that country.

12. Parallel with all these developments realization was steadily growing of the danger drawing constantly nearer from the Bolshevik East—that danger which has been only too little perceived in Germany and latterly, for diplomatic reasons, had deliberately to be ignored. However, the Fuehrer himself has always kept this danger steadily in view and even as far back as during the Western Campaign had informed me of his fundamental decisions to take steps against this danger the moment our military position made it at all possible.

13. Following on the interlude of the overthrow in Yugoslavia, the Balkan campaign which followed this, and our occupation of Crete; this decision was translated into action. If put into effect at all, it had of necessity to take us deep into Russian territory—a circumstance entailing dangers to an extent not yet encountered in our previous campaigns.

14. In spite of the fact that we were not able either in 1941 nor in 1942 completely to annihilate the enemy's fighting forces and thereby to force Russia to her knees, yet we can definitely claim it as a positive result that the Bolshevist danger has been driven back far from our own frontiers.

If today, in view of the repeated and prolonged setbacks of the year 1943, the question comes up again and again, whether we had not thoroughly underestimated the strength of the Bolshevik opponent, the answer to this question in regard to the execution of individual part-operations, may certainly be said to be 'Yes.' But as regards the decision to attack as a whole and that of holding on to this decision for as long as possible, there can be no doubts. As in politics so in the conduct of war—the issue is not merely one of arithmetical sums, and one of the most important lessons taught by war is that correct estimation of the opponent is one of the hardest of all tasks, and that even when everything has been correctly summed up, there still remains much that is imponderable and only becomes clear in the course of the battle itself.

One clarification of the situation is however to be perceived in that, as a result of our advance into the dark unknown which is Russia, we have taken the measure not only of the strength in personnel involved but also of a standard of equipment which has forced us in our turn to institute a state of totalitarian warfare and a technical counterblast such as left to ourselves we were hardly likely to have produced. One can only think with a shudder of what would have happened if we had adopted a waiting attitude in the face of this danger and, sooner or later, have been overrun by it.

15. Within the framework of this short sketch of the sweep of our strategy all that remains to mention is the occupation of Tunis effected as a countermeasure to the landing of Anglo-American forces on the North and West coasts of French North Africa, the rapid loss again of which position is probably specially likely to evoke doubt in the correctness of our wider strategy.

Taking it all in all, however, fighting along the periphery has built up for us a capital sum of space which we are now living upon.

In recapitulation, a brief summary of the course of the great tactical events up to the autumn of 1943:

The first two years of war saw Germany and its later allies running a victorious course almost unparalleled in history. The campaigns in Poland, Norway, France, in North Africa, in the Balkans, and the attack on Russia as far as the Donetz, up to the gates of Moscow and up to the Volkhov created a wide forefield for the defense of Europe and as a result of the occupation and making safe of rich areas of raw materials and food, provided the premises for a long war. Superior leadership, better employment of the modern means of war, a superior air arm and the exceptionally high fighting value and morale of our troops faced by opponents inferior on each of these counts have produced these successes. Nevertheless, during this period of the war, in which our superiority on land was undisputed, and our superiority in the air was able to make good, at all events in the coastal district, our hopeless inferiority at sea, in our last grasp at the palm of victory success has eluded us. The landing in England, prepared for down to the smallest detail but with improvised transport resources only, could not be dared while the British Air arm had not been completely beaten. And this we were not able to do, just as we have not been able completely to shatter the Soviet Armed

Forces. Later generations will not be able to reproach us with not having dared the utmost and spared no effort to achieve these aims which would have decided the war.

But no one could take it upon himself to allow the German air arm to bleed to death in the Battle of Britain in view of the struggle which still lay before us against Soviet Russia.

In the East however, the natural catastrophe of the winter of 1941 imposed an imperative halt on even the sternest resolution. [Following paragraph struck out:]

Our third objective, that of drawing Spain into the war on our side, and thereby creating the possibility of seizing Gibraltar, was wrecked by the resistance of the Spanish or, better say, Jesuit Foreign Minister, Sorano Sunjer.

It therefore became clear that we could no longer count upon an early end to the war, but that it would be hard and difficult and confront the whole nation with great hardships.*

After the first set-backs on the Eastern front and in the North African theater of war in the winter of 1943, the Reich and its Allies once again gathered together all their strength in order to defeat this Eastern opponent finally by a new assault and to deprive the British of their Egyptian base of operations. The great operation against the Caucasus and the Delta of the Nile failed, however, owing to insufficient strength and inadequate supplies. For the first time our Western opponents showed themselves to be superior both on the technical side and numerically in the air over the Mediterranean. The Soviet Russian Command also continued to stabilize the front at Stalingrad and before the Caucasus, and after that in wintertime using newly-formed strong reserves continued to break-through the petrified over-extended fronts on the Volga and along the Don—largely occupied moreover by the troops of our Allies. The 6th Army, consisting of the best German formations, inadequately supplied and exposed to the storms of winter, succumbed to enemy superiority.

Similarly, the Western Powers were able to bring together in Egypt a concentration of land, sea, and air forces which held us up at the very gates of Egypt and after the battle of El Alamein forced us to retreat, and finally, following on the landing of strong Anglo-American armies in French North Africa, to surrender the entire African position. Again some of the best German divisions fell a victim to the stranglehold of a superior enemy air force on our supplies by sea, although not before they had won for us a certain gain in time which was worth every sacrifice.

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* For—says Clausewitz—every attack which does not lead either to an armistice or to peace must of necessity end in defense.

At the end of the winter fighting of 1942/43 and after the loss of the African Army the armed forces of Germany and her allies were strained to the utmost. It proved possible to re-form the 5th Armored Army and the 6th Army—but four armies of our allies were lost for good.

The tactical reserves in the East would, it is true be exceptionally well equipped, but their numbers would no longer be increased to such a pitch as to make it possible to envisage any extensive operations. Gone was the great mobility of the Army and, excepting on the Russian theater of war, gone also our superiority in the air. The superior economic strength of our opponents and their greater reservoir of manpower, concentrated to form a point of gravity against Europe, was beginning to tell. The complete failure of Italy in all domains and the absence of any munitions production worthy of the name among our other Allies could not be adequately compensated by the tremendous efforts made by Germany.

Of necessity therefore the initiative was bound to pass over to the opposing side and the Reich, and the European nations fighting at Germany's side, to go over to the defensive.

So when the positions pushed out beyond the European front to the South had been taken by the enemy, in July 1943, the enemy attack started: In the East to regain the territories lost there and in the South against the Fortress Europe proper at its weakest point. In the meantime the air arms of the Anglo-Americans had already begun the grand assault on the production hearths and morale of our people at home.

In the Far East Japan's struggle has developed on much the same lines, with the difference, however, that the Japanese had pushed their advanced positions very much further away from the Motherland proper and the Anglo-Saxons did not here undertake any attacks on a large scale for the reason that they had directed their point of gravity against Europe.

It was at this stage of the war that the Italian betrayal took place. Its main features will be known to you from what appeared in the press. Actually it was even more dramatic than the newspapers showed. For the Supreme Command it was perhaps one of the hardest problems which it had as yet had to master. That the removal and arrest of the Duce could not end otherwise than by the defection of Italy was completely clear to the Fuehrer from the first, although many politically less well-trained eyes thought to see in it rather an improvement in our position in the Mediterranean and our cooperation with the Italians. There were many personages at this time who failed to understand the Fuehrer's GHQ in its political and military actions. For these were directed towards overthrowing the new Government and liberating the Duce. Only the smallest possible circle might know of this. On the military side in the meantime everything was to be done to stop enemy penetration of the Southern front as far South as possible, that is, on Sicily.

That the enemy would bring this point of gravity to bear on some point further West in the Mediterranean—of that there was not the slightest doubt; the distribution of his shipping and landing space made this clear. Where however would this point be? On Sardinia, on Corsica, in Apulia, in Calabria, or—if the thesis of betrayal were true—why not in Rome itself, or near Leghorn or Genoa? If he did not do this, then our job was to hold as much of Italy as possible in order not to let the base of the enemy air forces come near to the Alps. If the enemy is successful in a landing in Northern Italy then all the German formations in Central and Southern Italy would be lost. Moreover no grounds must be given which might serve the Italians as a moral pretext for their betrayal, or by premature hostile action to commit the betrayal ourselves. In the meantime the traitors simply oozed with amiability and assurances of faith, and even got as far as to make some of our officers who came into contact with them daily doubtful of the truth of the betrayal-hypothesis. This was nothing to be wondered at, for to the German officers such depths of infamy were simply incomprehensible.

The situation became more and more difficult. It was perhaps the only time in this war when at times I myself hardly knew what I should suggest to the Fuehrer. The measures to be taken in the event of *open* betrayal had been decided in every detail. The watchword 'Axis' would set them in motion. In the meantime however all the divisions, which the Fuehrer at once caused to be moved from the West to Upper Italy, were operatively idle there—and that at a time when the East front, subjected to severe assault, was begging for reserves more urgently than ever.

How much meanwhile we had been able to find out through our troops and through the bordering Gau's—keen as sleuthhounds on the track of Italian machinations—in the matter of manifestly hostile actions and preparations is known to you all. However, somehow or other the Italians explained it all ways, either as a misunderstanding or with excuses.

In this insupportable position the Fuehrer agreed to slash through the Gordian knot by a political and military ultimatum.

Then on the morning of the 7 September the enemy landing fleet appeared at Salerno and on the afternoon of 8 September news of the Italian capitulation flew through the ether. Even now however, at the last moment, the freedom of action of the Command was still held up: the Italians refused to admit the authenticity of the wireless message. The password itself therefore would not be given but only the 'stand-by' for the troops, until at last at 19.15 this most monstrous of all betrayals in history was confirmed by the Italian political authorities themselves. What followed was both a drama and a tragedy. Only at a later date will it be possible to gather together and set forth all the grotesque details. The more disillusioned the troops and the German Command, the harder the reaction.
General Outcome: *Appendix*

WFST/ORG/1st STAFFEL
Armed Forces Operation Staff/Organization/1st Section

List of Italian Booty

1. *Arms:*

Rifles	1,255,606
Pistols	17,703
M.P.	13,627
A.T. rifles	167
MG	38,383
Mortars	8,606
A.T. guns	961
A.A. guns	3,679
Army guns	5,346
Ammunition (tons)	287,502
Motor cycles	2,295
Armored cars	1,938
Lorries	12,708
Motor busses (KOM)	90
Trailers	471
Tractors	293
Tanks and assault guns	970
M.T. fuel	123,114
Horses, mules	67,600

2. *Aircraft:*

Fighters	1,379	Front line aircraft
Bombers	886	
Reconnaissance	512	
Transports	363	

Seaplanes	90	2nd line aircraft
Passenger planes	125	
Training craft	1,198	
Aircraft engines	499	

3. *Ships:*

Torpedo boats	8	10
Destroyers	2	
Corvettes	2	51
S-boats	14	
Anti-submarine boats	6	
Mine-layers	4	
Mine-detectors	7	
Escort vessels	7	
R-boats	13	
Other small war vessels		11
Merchant ships		34

4. *Clothing:*

Overcoats	551,000
Capes	408,000
Tunics	524,000
Pullovers	552,000
Trousers, prs	494,000
Shirts	1,139,000
Pants, prs	4,243,000
Shoes, prs.	3,286,000
Caps	486,000
Tent squares	509,000
Cloth, meters	352,000
Linen (in m²)	3,036,000
Blankets	2,522,000

5. *Raw materials:*

[Note in ink: In far larger quantities than might have been expected]

Iron and steel	196,200 tons
Iron and steel scrap	16,900 tons
Nonferrous metals	78,780 tons
Minerals	500 tons
Coal	41,000 tons
Timber	90,000 cbm.
Mercury	3,400 tons
Asbestos	100 tons
Buna	462 tons

Chem. products (Chloric acid, hydrochloric acid)	1,900 tons
Industrial oils and fats	240 tons
Tanning materials	515 tons
Alcohol	400 tons
Hides and tallow	21,925 pieces
Leather	200 tons
Tyres (cars and cycles)	21,000 pieces
Raw material for textiles	493 tons
Quinine	13 tons
Raw tobacco	8,800 tons

6. *Prisoners of war or military internees:*

Italians	547,531 of whom	24,744 officers
British	34,160 of whom	2,615 officers
Americans	1,427 of whom	201 officers

Italian Booty

Arms:	
Rifles	1,255,660
Machine guns	38,383
Guns	9,986
M. T. vehicles	15,500
Tanks and assault guns	970
M. T. Fuel (cubic meters)	123,114
Horses, mules	67,600
Aircraft:	
Front line aircraft	2,867
Other aircraft	1,686
Ships:	
Torpedo-boats and destroyers	10
Other small vessels of war	51
Clothing for	500,000 men

Raw materials in far larger quantities than might have been expected in view of the constant economic demands.

PW's or military internees:

Italians	547,531 of whom	24,744 officers
British	34,160 of whom	2,615 officers
Americans	1,427 of whom	201 officers

Disarmed Italian Divisions

Definitely disarmed	51 divisions
Probably disarmed	29 divisions
Not disarmed	3 divisions

South-East

Disarmed:

Rhodes	Regina Division	1
Crete	Siena Division	1
Greece	Cagliari, Piemonte, Forli, Pinerolo, Casale, Modena, Aqui Divisions	7
Albania	Brennero, Arezzo, Parma, Firenze, Puglie, Emilie Divisions	6
Montenegro	Perugia, Venezia, Ferrara, Taurinense Divisions	4
Croatia	Murge, Marche, Messina, Bergamo, Zaro, Lombardia Divisions	6
		25

Not yet disarmed up to the present; Main part of Cuneo Division (Samos) and Re Division and Macerata division (North-west Croatia)

South

Disarmed:

Area of Army Group C:

(a) *Main portion of divisions probably disarmed:*
Julia, Tridentina, Cuneense, Rovigo, Alpi Graie, 201st Coastal Division, Ersatz Brennero Division, Ersatz Firenze Division, Ersatz Pistoia Division, Ersatz Ravenna Division 10

(b) *Main portion of divisions probably disarmed:*
206th Coastal Division, Principe Amedeo Duca d'Aosta Division, Cosseria, Trento, Assieta, Livorno, and Torino Divisions 7

(c) *Some parts of the divisions probably disarmed:*
Veneto, Vicenza, Napoli and Aosta Divisions 4

21

In addition a considerable number of special units not forming part of a divisional formation were disarmed.

Area of Supreme Command South ("OB. SUD")

a. *Main portion of divisions definitely disarmed:*
221st Coastal Divisions, Piave, Grenatieri Di Sardegna, Sassari, Piacenza, Centavro, Ariete Divisions, 220th Coastal Divisions, 215th Coastal Division, Ravenna.... 10

b. *Parts of the divisions definitely disarmed:*
211th Coastal, Mantua, 212th Coastal, 227th Coastal, 214th Coastal, Picino, 210th Coastal, 200th Coastal, 222d Coastal, Pasubio, Legnang 11

c. *Parts of divisions probably disarmed:*
Priuli, Cremona, Calabria, 204th Coastal, Bari, 200th Coastal, Sabauda, (on Corsica and Sardinia) 7

28

West

Disarmed:

Main portion of divisions definitely disarmed:
Em. Filiberto, Pusteria, Taro, Lupi Di Toscana, 223d Coastal Division, 224th Coastal Division. In all 6 Divisions

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III

I should like briefly to set out the characteristic features of the individual theaters of war.

See Appendixes:

[Note in pencil: "Delivered extempore with the help of maps"]

To III

Finland

The Finnish front, the Northern abutment of the European defense system. The outermost wing of the East Front, and at the same time the rear cover of the Norwegian front.

Total length of front approx 1,400 km (=⅔ of the total length of the East front), occupied along wide stretches only by means of support points.

Terrain: South-East: forest and swamp; North-East: treeless partly rocky Tundra.

Weather: Very various over the terrain as a whole. (Temperatures on 1. 11. from +8° to —18°). In the North long polar night, mud period not materially important.

War supply: Important nickel mines at Kolosjoki near Petjamo (32% of the total European output).

Total population: 3.8 millions.

Operational possibilities:

No operations on a grand scale possible owing to absence of roads. High capacity lines of communication for supplying own offensive do not exist only one railway in North-South direction as far as Rovaniemi, branch line Eastwards (Kandalaksha) still under construction. Only one high capacity trunk road running North-South (Helsinki-Petjamo). As against this, on the Russian side, high-capacity Murmansk line.

Conduct of war: Consequently, in the main, confined to assault unit activities and enterprises by Jeager detachments, action along the flanks and for roads of special importance. Nevertheless because of the great length of front a strong own (German) force of 176,800 is tied to this front, consisting of the best troops capable of withstanding the nature of the country. Own divisions in good fighting trim, fully equipped, trained as in peacetime, good body of officers.

For air activity on the whole very unfavorable. Terrain affords new possibilities for laying out airfields.

Norway

Protection of the North-Western flank of Europe. Total front length 2,800 km (about equal to East front). Part of the front occupied only by support points, islands not all occupied.

Terrain: Medium-mountain and alpine in nature deeply indented by fjords and valleys.

War Supply: Transportation of Swedish ore via Narvik (22% of total European output). Emphasis in supply lies on communications by sea. Several good big and small ports suitable for distribution traffic.

Coastal district suitable for enemy landings with limited objective.

Operations—on land only possible with limited forces. Railway and road systems very widely meshed, of low capacity, easily blocked (bridges, tunnels). For these reasons the British operations/940 (plus absence of bigger harbors) were greatly hampered.

Own forces in Norway are 380,000 men.

The greater portion of the 13 divisions are employed in coastal defense, partly permanently posted.

(In Norway about 1,000 guns of over 10 cm. cal. are employed in coastal defense).

Counterattack reserves: 1 Inf. Div. in Central Norway, 1st Infantry and 1 Armored Divisions in South Norway.

Opportunities of action of *own air arms* dependent to a very high degree on weather, particularly in North Norway.

Navy: Important U-boat support points, berths for heavy naval combat forces. Supply for the AOK (Army Command) depends on the security of sea communications. Mean supply efficiency per month by sea = 190,140 BRT.

Denmark

Key position at entrance to the Baltic the possession of which would make possible far-reaching enemy operations both in the direction of Scandinavia and in that of Germany and extend their influence into the Baltic.

Total length of front: approx. 700 km.

Terrain: For landings from the sea on a large scale the Western coast is little suited (storms, surf); East Jutland and the islands are better suited (but owing to long approach routes and good defensive possibilities unlikely).

Especially open to the danger of a landing: Esbjerg (West Jutland) and Aalborg (North-West Jutland).

For *tanks*—possible almost everywhere. Landings from the air possible in the open as well as on the well-developed airfields.

Coastal defense—by support points. Coastal defense forces—3 divisions, of limited fighting value. In addition, counterattack reserves. Reinforcements have been ordered.

Total formations of the Wehrmacht employed—106,500 men.

West

1. *Terrain: In all 2,100 Km. of coastal front on the Channel and Atlantic and 500 Km on the Mediterranean* all of which—in contra-distinction to the coast in Norway—with a few inconsiderable exceptions admit of landings with modern resources.

The interior of the country offers no obstacles to the employment of all formations including tactical armored formations (Western campaign).

A good well-developed communications system both by rail and road enables our resources to be moved rapidly but will also benefit the enemy once he has gained a footing.

Weather conditions do not completely exclude landing operations with modern equipment at any time of the year. In the autumn and winter however storms may make a landing on the grand scale a difficult matter.

2. *Own possibilities:* The position as described makes it necessary to repel and destroy the enemy before he can reach the coast. For this reason—construction of the Atlantic Wall. This con-

struction has been in hand for a long time; it is however impossible along a front of 2,600 Km to reinforce the coastal front with a system of fortifications in depth at all points. Nevertheless the number of positions and built-in weapons is greater than in any other construction as yet known, including the West Wall and the Maginot Line.

2,692 guns of cal 7.5 cm. up to the heaviest long-range batteries, not including the AA guns and the artillery of the divisions employes. 2,354 medium and heavy A.P. weapons alone, without counting the equipment of the employed divisions. 8,500 (8,449) positions of the permanent construction type have been handed over to the troops. In all over 5.3 million cubic meters of concrete have been used on the constructions.

A belt of fortifications of this kind has the effect however of tieing down considerable forces of one's own. For this purpose we have put in fortress divisions of whom however, needless to say, only a small section in every case can be effective against the enemy. For this reason it is essential to have strong, mobile and especially well-equipped reserves in the West for the purpose of forming points of gravity. Any weakening of these tactical reserves required in the West is a risk and acutely endangering the general situation.

Strength in the West: In all 1,370,000 men.

Italy

1. *Ground conditions.* Along the front: mountains some of which are Alpine in nature. Less steep country only along the West and above all the East coast. As a result it is possible in part to cut out some sectors of the Alpine regions; on the other hand infantry must be employed in strength to prevent infiltration. Transverse movements behind the front are very difficult. Good possibilities of blocking roads for a long time.

In addition to these conditions along the front (length app. 150 km.), the factor determining the employment of own troops is the double coastline (on both sides), total length approx. 1,600 km. In addition to landings directly behind our front, the sectors especially threatened are Genoa, La Spezia, Rome, and the whole of the East coast south of Ravenna.

2. The point of next importance to the terrain in determining tactical conditions in Italy is the superiority of the enemy on land, in the air, and on the sea. This enables him to advance methodically, taking no undue risks, supported by a number of smaller and greater landings directly behind our front. Strong enemy artillery action.

Absolute supremacy in the air. In addition to direct and heavy effect on the troops this air superiority also means constant interference with traffic (especially on the railroads) in the rear areas. Troop movements and supply are affected right far back into the Hinterland.

The enemy's rearward communications across the sea are practically unhampered as our own sea and air forces are nothing like strong enough.

3. In view of these conditions our own troops are confronted with an immense task.

In spite of the fact that our forces are hampered at the coast and in the back areas (total ration strength of all branches of the Armed Forces and auxiliaries rather over 400,000), we have so far contrived to delay the enemy advance very considerably and to keep down our own losses in men and equipment to a minimum since the islands were evacuated. This may be regarded as a success, since, apart from his having gained a foothold in Europe proper, the enemy has not up to the present gained any decisive tactical success. However, it will not be possible in the near future to wrest the initiative from the enemy as he is in a position to supply and reinforce his formations in practically unlimited measure.

Own air arm—in a difficult position owing to the multivariousness of its duties and the vast extent of the tactical theaters of war—must confine itself to forming points of gravity.

Navy: Apart from the employment of a few U-boats and speedboats, possesses few possibilities of becoming effective against the enemy.

4. *Along the coasts—preparation for defense.*

III

Finland:

Total length of front about 1,400 km. (= ⅔ of total length of Eastern front). Important: Nickel mines Kolosjoki near Petsamo (32% of total European output). Total number of inhabitants 3.8 millions.

Own strength: 176,800 men

Norway:

Total length of front 2,000 km (equal to length of Eastern Front).

Narvik: Clearing port for Swedish ore (22% of total European output).

Own strength: 315,000 men

Approx 1,000 guns over 10 cm.

Denmark:

Total length of front: approx 700 km.

Own strength: 106,500 men

West:

In all 2,100 km of coastal front along the channel and the Atlantic and 500 km. along Mediterranean.

Atlantic wall: 2,692 guns of cal. 7.5 up to the heaviest long range batteries of 2,354 medium and heavy A.P. weapons 8,500 positions, constantly being extended.

Over 5.3 million cbm of concrete laid.

Own strength: 1,370,000 men.

Italy:

Length of front: approx. 150 km.

Both coasts: in all approx. 1,600 km.

Own strength: 329,000 men.

South-East:

Balkans	50%	of European output in mineral oil.
	100%	of European output in chromium ore.
	60%	of European output in bauxite.
	29%	of European output in antimony.
	21%	of European output in copper.

Length of coast line (incl. Crete and Rhodes).

Approx. 4,200 km., or twice the distance from Leningrad to the Black Sea.

Own strength: 612,000 men.

East:

Length of front: 2,100 km.

In view of the length of front our own strength is inadequate for a continuous line of positions as in the last world war.

Artillery: Monthly production 1,200 guns.

Tanks: At the outbreak of the war 21,000 tanks, mainly light and out of date.

Russian losses in tanks from June 1941 to October 1943: 52,000.

Railway sabotage: July 1560, August 2,121, September 2,000 line demolitions with great effect on operations and an evacuation transport.

Reinforcement of the Red Army (lowest point) 1.12.1941: 2.3 millions.

Today highest point up to date: 5.5 millions.

Own strength: 3,900,000.

South-East

1. *Importance of the South-East.* Domination of the Balkans as an integral part of the Fortress Europe is decisive from the point of view of winning the war for tactical, military-political, and economic reasons.

The Balkans provide—

50% of the total European output in mineral oil
100% of the total European output in chromium ore
60% of the total European output in bauxite
29% of the total European output in antimony
21% of the total European output in copper

2. *Tactical possibilities.* In view of the coast length (including Crete and Rhodes) of approx. 4,200 km, that is, twice the distance from Leningrad to the Black Sea, in the event of an attack by the enemy our own troops would have the following advantages and disadvantages:

Advantages. For coastal defense in general all that is necessary is to occupy the harbors and river mouths on the point of gravity principle.

Should the operations move inland, the hills offer good opportunities for blocking and defense.

Disadvantages. A sparse rail and road system involves difficulties in the matter of supply and the movement of reserves.

Grave danger from the air on all the few roads and mountain railway lines all of which possess many artificial constructions. (To Greece only one single-track railway line with an efficiency of 12 trains per day.)

Difficulties in supplying the many islands of the Aegean (low own tonnage, shortage of naval tactical forces—only a few Italian torpedo-boats—very few security vessels. Ration strength on Crete 47,000, on Rhodes 8,000 and 30,000 Italian military internees).

3. *Present position. Army:* In the parts of the Balkans occupied by us, guerilla warfare is now being waged against guerilla bands —some of them well-armed—supported by the Anglo-Saxons to a *total strength of approx. 140–150,000 men.* The bands are all anti-German, but disunited amongst themselves. A distinction should be made:

a. *In Croatia and Serbia* between—

aa. Communist bands under the command of Tito to a strength of approx. 90,000 men.

bb. Chetniks under the command of Drazha Mihailovich, to a strength of 30,000 men.

b. *In Greece:* Nationalist bands under the command of Zervas to a strength of 10,000 and approx. 15,000 Communists.

For the defense against Anglo-Saxon attack and for putting down the guerilla bands we have at our disposal at the present time *own forces to the strength of 612,000 men.*

Landings of any size in the wintertime are unlikely so that the main task of these forces is to put down the guerillas in order to be able in the spring of 1944, after defeating and destroying the larger bands, to employ the largest possible forces in coastal defense.

From the forces of the confederates stationed in the South-East—with the exception of the Bulgarian formations who however are requested to defend Bulgaria—no material assistance may be expected.

Air arm: At present, in view of the great distance to their jumping-off bases, the numerical superiority of the Anglo-Saxon air arm has not made itself felt excepting in the Western Balkans where the fact that Southern Italy is occupied by the enemy has become noticeable.

East

Length of front: 2,100 km. (distance from frontier to Reich to Moscow 900 km., to Urals 2,300 km.)

Terrain: Flat plateau, swamp, and forest in the North, deeply indented (steppe ravines) in the South. In view of the great length of the front the ratio of our own strength is not sufficiently high to admit of a continuous line of positions as in the World War and makes it necessary to occupy by a system of support points and mobile warfare in which threats to the flanks and rear must be accepted. Our line of defense is therefore rather thin and there is difficulty in forming larger gravity points. Where we are opposed by enemy concentrations our forces are always locally inferior.

Russian infantry's fighting value has sunk to a still lower level although their training is noticeably better; on the other hand their equipment is rapidly improving (automatic and heavy infantry weapons). The Russian artillery is being built up on a grand scale. Monthly output 1,200 guns.

Armored troops: On the outbreak of war 21,000 tanks, mainly light and out-of-date.

Strength on 1.10.43: 9,000 heavy tanks of the most modern types. Monthly production 1,700.

Russian tank losses from June 1941 to October 1943: 52,000. Creation of tactical tank formations for extensive tasks (thrust into the depth of the enemy's terrain and destruction by envelopment) employment in the form of points of gravity.

Formations of *special units* on a large scale (A.T. regiments, mortar regiments).

Railway sabotage: July 1560, August 2121, September 2000 line demolitions with far-reaching effect on operations and evacuation transport.

Guerilla warfare: The purpose of this is to impede German supply, to make it impossible to use the land, to subvert the territorial formations, organize an armed popular rising, reconstruct the Party organization in occupied territory. Although losses in personnel have been high, remorseless exploitation of all the provisions in regard to fitness for service and extreme restrictions have brought about *a gradual reinforcement of the Red Army* (Lowest level on 1.12.1941: 2.3 millions today highest level as yet known 5.5 millions), in addition to this, continuous calling-up of replacements [Ersatzgestellungen] and the creation of tactical winter reserves (approx. 50 divisions).

Total strength of Russian formations:

327 rifle divisions
51 armored divisions

Own strength in the East:

200 German
10 Roumanian
6 Hungarian divisions—*4,183,000 men*

East

Armed Forces Operations Staff/Op (H)/North
No. 006650/43 TOP SECRET

Fuehrer's GHQ, 31.10.1943
3 copies

Subject: Lecture by Chief of Armed Forces Operations Staff—copy

East

Length of Front: 2,100 km (Distance of frontier of Reich to Moscow 900 Km., to Urals 2,300 Km.)

Terrain: Flat table land, swamp, and forest in the North, deeply indented (steppe ravines) in the South. Owing to the length of the front ratio of own strength does not admit of continuous line of positions as in the World War and makes it necessary to occupy by means of support points and mobile warfare, in which threats of defense therefore rather thin. Great difficulty in forming larger points of gravity. Where opposed by enemy concentrations own forces always locally inferior.

Russian infantry's fighting value sunk to still lower level although their training noticeably improved; on the other hand their equipment with weapons is rapidly rising (automatic and heavy infantry weapons). Large-scale building up of *Russian artillery.* Monthly production 1,200 guns.

Principles of employment: Fire concentration on narrow sector on the German pattern. For this, fresh formation of artillery brigades and artillery corps. Maximum employment of ammunition.

Armored troops: At the outbreak of war 21,000, mostly light and out-of-date tanks. Strength on 1.10.43, 9,000 heavy tanks of the latest types. Monthly production 1,700. Russian tank losses from June 1941 to October 1943: 52,000. Creation of tactical armored formations for extensive tasks. (Thrust in depth and destruction by envelopment.) Employment by points of gravity.

Formation of *special units* on grand scale (A.T. regiments, mortar regiments).

Own Air Arm: Length of front in comparison with available forces makes it necessary to concentrate own air arm at the focal points. As a result it is unavoidable that on many sectors of our own land front own troops see little of the activities of their own air arm. However the air arm is there, in spite of this, and contributes very materially to the success of the defense.

The Russian air arm: remains as before far inferior to our own, but it must be admitted that its command, organization and equipment have greatly improved. The command is maneuverable and strict, organization admits of rapid displacement or follow-on of the formations. Specially unpleasant for our own troops on land is the new Russian battle aeroplane now appearing in large numbers. The Russian air arm is being employed almost exclusively in support of the army; so far operational employment has been quite secondary. Since 1941 the Soviet Russian Command has adapted itself to the principles of the German command. As against the principle "Not a step back!" of the year 1941, since the summer of 1942 tactical withdrawal movements have been the rule. The command has become more mobile, quickly seizes any moment of weakness and makes good use of initial successes. The situation with respect to communications is very bad (wide-meshed low efficiency rail and road system, during the mud season the roads cannot be used at all) so that it is difficult for us to move our reserves. Add to this steadily increasing sabotage on the railways: July 1560, August 2121, September 2000 line demolitions with great repercussions on operations and evacuation transport.

Guerilla warfare: Purpose is to impede German supply, prevent use of the land, the organization of armed popular risings, reconstruction of the Party organizations in occupied territory.

In spite of high losses in personnel, remorseless exploitation of all provisions in regard to fitness for service and extreme restriction have made it possible gradually to *reinforce the Red Army* (lowest level 1.12.1941: 2.3 millions, present day highest level so far 5.5 millions); in addition continuous calling up of recruits and the formation of tactical winter reserves (approx. 50 divisions). Own strength in East* 4,183,000.

Munitions industry: Evacuation (methodically prepared for beforehand) made it possible by the summer of 1942 to return again to the production level of the previous period.

At the present time the *Russian food situation cannot* be regarded as likely to decide the fate of the war.

Economic losses due to the withdrawal of the front:

Pig iron products	338,000 tons
Loss in coal production	460,000 tons
Loss in grain and oil crops	1,854,000 tons
Production of raw timber 6.2 fm	
Loss of steel products	10,000 tons
Potatoes approx.	1,000,000 tons
Meats and fats	50,000 tons
Men fit for service	677,000

Finland

The Finnish front is the Northern abutment of the European system of defense. Outer wing of the East front and at the same time rear corner of the Norwegian front. *Total length of front* approx. 1,400 km (2/3 of the total length of the East front), wide stretches of the front occupied by means of support points only.

Terrain: South-East: forest and swamp; North East: treeless and partly rocky Tundra.

Weather: Varies greatly over the area as a whole (Temperatures 1.11 from + 8 to — 18 degrees!), in the North long polar night, mud period is in considerable.

War Supply: Important nickel mines at Kolosjoki near Petsamo (32% of the European production).

---

* Div: 200 German
10 Roumanian
6 Hungarian

Total number of inhabitants: 3.8 millions.

Tactical possibilities: Operations on a large scale impossible owing to absence of roads. High capacity lines of communication for feeding an offensive are lacking (only one in North-South direction as far as Rovaniemi branch line Eastward (Kandalaksha) still under construction. Only one high capacity trunk North-South road Helsinki—Petsamo). As against this on the Russian side the high capacity Murmansk railway.

Conduct of war therefore limited in the main to activities of assault troops and enterprises by Jaeger detachments. Fighting on the flanks and for roads of special importance. In spite of this owing to the length of the front strong own forces (20th Mountain Army 212,000 men) formed of the best human material capable of standing up to the nature of the terrain are tied down to it. Own divisions in excellent fighting trim, fully equipped, trained as in peacetime, good body of officers.

With respect to air activity, on the whole very unfavorable conditions. Terrain affords few possibilities for laying out airfields. In winter time, owing to the short hours of daylight flying activities are very restricted. Supply in the purview of the air arm very difficult.

Our own air arm is highly superior in value to the Russian, as is regularly proved in all air battles fought in the course of Russian attacks on German convoys by the specially high numbers of aircraft brought down.

Coastal defense is equal to the Russian forces. Combined Anglo-American-Russian landing operations in the area of the Varanger fjord—Porsangerfjord unlikely for political reasons. Collaboration with Finns (trained in forest and winter fighting) good, as before.

Norway

Protection of the North-West flank of Europe. Total length of front 2,500 km (about the same length as the East front). In part occupied only by support points. Some of the island unoccupied.

Terrain: Medium mountains and Alpine in nature, deeply indented by fjords and valleys.

War Supply: Transport of Swedish ore via Narvik (22% of the total European output).

The points of gravity of *supply* rests on communications by sea. Several good big ports and many small ones suitable for distribution traffic. Coastal areas suitable for enemy landings with limited objectives.

Operations: On land possible only with limited forces. Rails and road system very widely meshed, of low capacity and easily blocked (bridges, tunnels). These factors (plus the lack of larger harbors) greatly impeded British operations in 1940. Own forces in Norway number 380,000. The main body of the 13 divisions occupied in coastal defense, partly permanently employed. (In Norway approx. 1,000 guns over 10 cm. caliber employed in coastal defense).

Counterattack reserves: 1 Inf Div in central Norway, 1 Inf and 1 Armored divisions in South Norway.

Possibilities of action of *our own air arm* greatly dependent on the weather, especially in North Norway. Tactical activities directed in the first place above the sea against enemy ships. Possibilities with regard to laying out airfields limited owing to the nature of the terrain, supply difficult. Possibilities of action on the part of the enemy equally restricted owing to the great distance to their flying bases. In central and North Norway fighters can be employed only from aircraft carriers.

Navy: Important U-boat support points, berths for heavy naval fighting forces. Supplies for the Army Command depend on sea communications [illegible note in German script].

Denmark

Key-position at entrance to Baltic, the possession of which would make possible extensive operations in the direction of Scandinavia as also in the direction of Germany and make it possible to influence the area of the Baltic.

Total length of front: approx 700 km.

Terrain: West coast little suited to landing operations on a grand scale (storms, surf), East Jutland and the Islands better adapted (but improbable, owing to long approach routes and possibilities of defense.) Specially threatened by landings Ebsjerg (West Jutland) and Aalborg (North-West Jutland). Passable by *armour* almost everywhere. *Air landings* also possible off the air-fields which are very well laid out: *Coast* protected by support points. Coastal defense forces three divisions of very limited fighting value. In addition counterattack reserves. Reinforcements ordered. Conditions for the employment of own air forces are good. Communications good. Supply secured. Total strength of all formations of all branches of arms: 110,000.

The defense of Denmark is largely determined by the attitude of Sweden.

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VERY SECRET

Armed Forces Operations Staff/Op. H/South
No. 006652/43 Very Secret

FUEHRER'S G.H.Q., 2d November 1943
3 draft copies
draft copy

Material for the Lecture by the Chief of Armed Forces Operations Staff on 7.11.43

Position in Italy

1. *Ground conditions:* Along the *front* mountains, partly Alpine in character, only on the West and above all on the East coast rather less steep terrain. This makes it possible in places to cut out sectors in the Alpine area but also makes it necessary to employ strong Infantry forces in order to avoid infiltration. Troops movement along the front line very difficult. Good possibilities of blocking roads durably. Opponents, mainly Canadians, clever at making use of terrain.

In addition to the above conditions at the front (length approx. 150 Km.) the employment of own forces is also determined by the long coast lines on both sides (Total length approx. 1600 Km.). Besides landings directly behind our front the sectors mainly threatened are Genoa, La Spezia, Rome and the whole of the East coast South of Ravenna.

2. Next to ground configuration the factor determining tactical conditions in Italy is the *tremendous* [stricken in pencil] *superiority of the opponent* on land, in the air, and on the sea. This enables him to advance methodically, taking no undue risks, supported by repeated landings large and small directly behind our front. Strong enemy artillery active.

Absolute superiority in the air. In addition to heavy direct action on the troops, continued interference with communications, especially by rail, in the back areas. Troop movements and supply affected to a great depth in the Hinterland. River communications of enemy overseas practically undisturbed, as our own naval and air tactical forces are far too small.

3. In view of these conditions *our own troops* are confronted with immense task. In spite of the fact of our troops being hampered at the coast and in the back areas (total ration strength of

all branches of arms with auxiliaries rather over 400,000), we have so far contrived to delay the enemy advance very considerably and to keep down to a minimum our own losses in men and material since the islands were evacuated. This may be regarded as a success, as apart from his having gained a foothold in Europe proper up to the present the enemy has not gained any decisive tactical success. However it will not be possible in the near future to wrest the initiative from the enemy, he being in a position to supply and reinforce his formations in practically unlimited measure.

Own air arm—in a difficult position owing to the multiplicity of its duties and the vast extent of the tactical theaters of war—must confine itself to forming points of main effort.

Navy: Apart from employing a few U-boats and speed-boats, no great opportunities of becoming effective against the enemy.

4. Along the *coasts*—preparations for defense.

5. In the Hinterland mopping up operations on considerable scale have been in progress for some time past in the guerilla-infested areas of Slovenia and Istria influenced from the Balkans. When these operations have been concluded it will still be necessary to keep forces here to maintain pacification. The guerilla activities which break out again from time to time in several other areas are of no great importance. The Italians are not in a position to maintain law and order with their own forces. [Paragraph stricken in pencil.]

6. *Disarmament of the Italians* after some short and in some cases sharp fighting in spite of our being outnumbered (51 Italian divisions disarmed by 17 German divisions and 2 German brigades) also represents a thwarting of enemy plans which aimed at cutting off the German forces. [Paragraph stricken in pencil.]

7. *The enrollment of Italian forces for service* at present in progress in collaboration with the Italian Government is made more difficult by indifference and war-weariness. [Paragraph stricken in pencil.]

Armed Forces Operations Staff/Op(H) South-East
No. 006651/43

VERY SECRET

FUEHRER's GHQ, 1.11.1943

6 copies

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Material South-East for Lecture by Chief of Armed Forces Operations Staff on 7.11.1943

1. *Importance of the South-East:* Domination of the Balkans

as an integral part of the Fortress of Europe is decisive from the point of view of winning the war for tactical, military-political and economic reasons.

The Balkans furnish:

50% of the total European production of mineral oil
100% of the total European production of chromium ore
60% of the total European production of bauxite
29% of the total European production of antimony
21% of the total European production of copper

2. *Tactical possibilities:* In view of a length of coast (with Crete and Rhodes) of approximately 4,200 km, equal to twice the distance from Leningrad to the Black Sea, the enemy, in the event of an attack on their own troops is confronted by two main directions of attack:

a. Making use of Southern Italy as jumping-off place for a landing on the Dalmatian coast.

b. After breaking through the island belt position in the Aegean, to advance on Saloniki and the Thracian coast.

This would afford the following advantages and disadvantage:

a. *For the enemy:*

Advantages: Support by the guerilla bands.

Disadvantages: The coast with the exception of the ports and river mouths is generally unsuitable for a landing (steep coast, lagoons). After landing the terrain is generally speaking mountainous and short of water, with a sparse system of roads and railways.

Troops who presumably will be unused to fighting in the hills.

b. *For own troops:*

Advantages: The coast can be defended, generally speaking, merely by occupying the ports and river mouths.

In the event of operations advancing, good opportunities for blocking and defense in the hills.

Disadvantages: Only a sparse road and rail system. Supply difficulties and poor conditions for moving reserves.

Grave danger from the air on all the few roads and mountain railway lines all of which possess many artificial constructions. (To Greece only one single-track line with capacity of 12 trains per day.)

Difficulties in supplying the many islands in the Aegean (own tonnage is low—shortage of naval tactical forces—only a few Italian torpedo-boats—very few security vessels. Ration strength on Crete 47,000, on Rhodes 8,000, and 30,000 Italian military internees).

Further possible enemy operations from the European bridgehead of Turkey and operations against the Bulgarian-Roumanian Black Sea litteral would have to be taken into account should Turkey change the attitude of neutrality she has maintained up till now, or if the unfavorable position in the East should develop still further.

3. *Present position:*

Army: In the part of the Balkans occupied by ourselves, guerilla warfare is rife against bands of whom some are well-armed—supported by the Anglo-Saxons—to a total strength of 140–150,000 men. The bands are all anti-German, but not in agreement among themselves. A distinction should be made between:

a. *Croatia and Serbia:*

aa. Communist bands under the command of Tito to a strength of about 90,000.

bb. Chetnik's under the command of Drazha Mihailovich to a strength of 30,000.

b. *Greece:* Nationalist bands under the command of Zervas to a strength of 10,000 men and approximately 15,000 Communists.

For the defense against Anglo-Saxon attack and for putting down the guerilla bands we have at our disposal at the present time own forces to the strength of in all of *24 divisions** with a total strength of 408,000 men.

Landings in any strength during the winter are unlikely, so that the main task of these forces is to put down the guerillas in order to be able in the spring of 1944, after having defeated and destroyed the larger bands, to employ the largest possible forces in coastal defense.

From the confederate forces stationed in the South-East area, with the exception of the Bulgarian formations who however are required for the defense of Bulgaria, no material assistance may be expected.

Air Arm: At the present time, in view of the great distance to their starting bases, the numerical superiority of the Anglo-Saxon Air Arm has not yet become effective excepting in the Western Balkans where the fact that South Italy is occupied by the enemy is beginning to make itself felt.

4. In September units of 12 German divisions, in spite of some sharp resistance on the part of the Italian formations and great difficulties connected with the terrain, continued to disarm 25 Italian divisions, including Corps and Army units.

Up to the present in all 304,098 Italians (including 12,575 officers and 291,519 men) have been evacuated from the area High Command South-East.

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*The words "24 divisions" struck out; pencil note in margain '612,000 men.'

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Armed Forces Operations Staff/Op Army/WEST

FUEHRER'S GHQ, 2d November 1943

2 draft copies

draft copy

Western Theater of War including the Netherlands and Belgium

Subject: *Lecture by Chief of Armed Forces Operations Staff.*

1. *Terrain.* In all 2100 km of coastal front on the Channel and the Atlantic and 500 km on the Mediterranean, which—in contradistinction to the coast in Norway—admit of landings with modern resources.

The interior of the country presents no difficulties to the employment of all formations including tactical armored formations (Western Campaign).

Good system of communications, road and rail, highly-developed, enables own reserves to be moved quickly but will also aid the enemy should he continue to gain a footing.

Weather. Does not exclude landing with modern resources at any time of the year. However in the autumn and winter, storms may make a landing on the grand scale difficult since this requires continuous good weather at sea for some days. The possibilities of employing the air arm are sometimes restricted in the autumn and winter owing to presence of extensive fields of fog, particularly over England.

2. *The enemy.* The enemy possesses possible starting bases along an almost continuous circle from Eastern England via the USA, North Africa to Corsica and Sardinia with at some points shortest possible approach routes to the Continent. In all areas the opponent has at his disposal locally superior forces. The enemy formations are fresh and have gained experience in the campaigns in North Africa, Sicily, and Italy. He has developed

his landing technique and tactics to a high level, so that we must now reckon at all times—with the afore-mentioned reservations—with a landing on the grand scale.

Enemy Air Arm. Numerically greatly superior. Will enable the enemy both to defend his own forces and their supply and to effect the employment of air landing forces on a big scale.

Possibilities for the enemy. A demand on the part of Russians for the establishment of a Second Front in the West and the endeavor on the part of the Anglo-Americans to acquire more weight in opposition to the Russian political demands by gaining a thorough military success are the leading features of the position in the West. Successful penetration of the Western defenses would very soon break through to the Belgian, North-French and West-German industrial areas and so prove *fatal.* At the same time this operation would also cut off the U-boat support points in the Atlantic.

Even a minor enemy success involving the creation of a bridgehead would spell danger, since in view of the enemy's superiority in equipment and personnel he would have no difficulty in extending this bridgehead into a breach of our defenses.

3. *Our possibilities.* The position as described makes it essential to repel and destroy the enemy before he can reach the coast. For this reason—construction of the Atlantic Wall. The work has been in hand for a long time; it is however impossible to provide a coastal front of 2,600 km. at all points with a system of fortifications in depth. Nevertheless the number of positions and built-in weapons is greater than any other construction as yet known, including the West Wall and the Maginot Line, for instance 2,692 guns of 7.5-cm. cal. up to the heaviest long range batteries, not counting the AA guns and the artillery of the employed divisions. [Illegible scribbled question in margin and note—'5.3 millions.'] 2,354 medium and heavy A.P. weapons alone, not reckoning the equipment of the employed divisions. 8,449 installations of the permanent construction type have been handed over to the troops. [In pencil: In all * * * dbm concrete have been used in the construction].

A belt of fortifications of this type however has the effect of tying down considerable forces of one's own. We have put in for this purpose fortress divisions, of which however, naturally, only a small proportion in each case can be effective against the enemy. Because of this it will be essential to have strong, mobile, and particularly well-equipped reserves in the West. Any weakening of these tactical reserves required in the West is a risk and will acutely endanger the situation as a whole.

However in the event of an attack in force in the West, even if the said tactical reserves are there, the forces at our disposal will not be adequate. [Pencilled note: 370,000 men.] It will be necessary in this event which will decide the war to employ every German man able to bear arms ,laying the home country largely bare.

4. *Internal security.* The British are continually trying to form organizations intended to engage in sabotaging the French industries working for the German munition industry and the lines of communication. They are supplied by air. The Army units employed in security duties, the SD [Security Service], and the French police, as well have been able to keep these organizations under control. In the period from the 20th to the 30th October alone these terrorists lost 12 dead and 380 prisoners.

Strong forces of the Ersatz Army have been tranferred to France for the pacification of the country.

5. *Disarmament* of the 6 Italian divisions numbering approximately 50,000 men employed along the coast of the Mediterranean is proceeding smoothly. The employment of units of 2 divisions proved sufficient to nip all will-to-resistance in the bud.

VERY SECRET

Armed Forces Operations Staff/Op (Army) West

FUEHRER's G.H.Q., 3d November 1943

4 copies

1 copy

Strength of Army Command West (to date 1.11.43)

1. Employed in coastal defense	27 divisions and 2 Rgt.	
2. Employed in 2d line	1 Inf Div.	
	2 Inf div being formed.	
	3 Tactical groups (I.D.).	
	1 Armored div.	
	3 SS armored divisions.	being formed
	4 Motorized divisions.	
	3 Reserve armored divisions.	
3. In addition	5 Reserve divisions	
	46 Divisions plus 2 Regts.	

4. New formations ordered (no formations HQs and cadres available as yet).	5 Inf divisions 3 Parachute divisions. 1 SS motorized division
	7 divisions

5. Ration strength (without armed forces auxiliaries and PWs) —1,370,708.

Ration strength including armed forces auxiliaries and PW's—1,708,990.

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IV

How are the resources of our opponents distributed at the present time, and what are his strategic and tactical intentions likely to be?

England
America
Mediterranean
Far East
} separate appendixes

It was doubtful for a time whether the enemy would not transfer his point of gravity to the Far East. This assumption proved wrong. The main mass of the British-American formations capable of employment is undoubtedly in the Mediterranean. Consequently we must reckon in every event with the continuation of the operations there. The only questions remaining open are: in what direction and on what scale? The supplies observed passing through the straits of Gibraltar per month amount to approx. 1.8 million tons, of which approx. 300,000 tons go through the Suez Canal to the Far East. This leaves approx. 1.5 million tons for the Mediterranean to be divided between the Western and Eastern Mediterranean. That is not much more than is required for normal supply. Presumably therefore it is not proposed to send any new and stronger forces to the Mediterranean.

L-172

Distribution of the American Army

Europe:

- 16 Inf divisions.
- 3 Armored divisions.
- 3 Armored brigades.
- 3 Airborne divisions.
- 7 Mixed brigades.

U.S.A.:

- 29 Inf divisions.
- 10 Armored divisions.
- 1 Airborne division.

Pacific:

- 14 Inf divisions.
- 2 Marine infantry divisions.
- 1 Armored brigade.
- 2 Mixed brigades.

Strength of the forces in Great Britain suitable for employment in attacking operations

- 40–41 Infantry divisions (of whom 4–5 Americans).
- 4 Independent Inf brigades.
- 9 Armored divisions.
- 11 Armored brigades (of whom 1 American).
- 2 Airborne divisions.
- 7 Paratroop battalions (of whom 3 Americans).

Of these employed in South-East and South England only, in direct proximity to the starting ports:

- 18 Infantry divisions.
- 2 Infantry brigades.
- 1 Airborne division.
- 8 Armored divisions.
- 4 Army armored brigades.

In addition about 1,000 2–4 engined transport aircraft are able to put in approx. 20,000 *airborne troops.*

It is also possible to reckon with the employment of approx. 20,000 paratroops.

Troop transport and landing boat tonnage is available for at least 11–12 infantry divisions and 1–2 armored divisions.

The forces and resources at the disposal of the enemy are already sufficient for a large-scale operation intended to force the issue on the Continent. These forces and resources will presumably be reinforced still further in the course of the next few months.

Distribution of British Forces

Italy:

10 Infantry divisions.
2 Armored divisions.
3 Armored brigades.
1 Airborne division.
5 Commandos.

Western Mediterranean (Gibraltar: garrison approx. 20,000):

3 Infantry divisions.
2 Armored divisions.
2 Armored brigades.
1 Airborne division.

Middle East and Near East:

15 Infantry divisions and 4 Polish Infantry divisions.
in all 19
4 Inf brigades and —
  2 Greek
  1 Czech
  1 Yugoslav brigades
in all 8
5 Armored divisions.
5 Armored brigades.
1 Paratroop division.

V

According to my experience, there is yet another anxiety stalking the land. It concerns the morale of our own Allies and the fear that yet other, as yet neutral states, might join the ranks of our enemies. At this point, of course, I enter upon the ticklish question of foreign policy which is not my business and which I will traverse as speedily as possible.

Of the neutral countries, we are not loved by *Sweden* and *Switzerland*. The latter is surrounded, of no danger to us from the military point of view, and will not harm us. She lives on our bounty and benefit from her.

The same does not apply to *Sweden*. In the last few years she has been arming hard, and possesses 12–14 Infantry divisions, 3–4 armored brigades, and in addition a few cyclist brigades, in all 400,000 men under arms. Sweden sways between fear of Bolshevism and hope of British-American aid. This latter is far away for as long as we in the Skagerrak cut off Sweden's contact with England.

Should an enemy landing in Norway or Denmark prove successful, Sweden may become dangerous—but not before.

Spain and Portugal have decided to remain neutral. They have not the necessary strength to defend themselves against England and America. Everything depends therefore on the good will of our Western opponents as to the measure in which they recognize this neutrality. Latest events in Portugal have shown this. I do not believe however that it is in the interest of the Anglo-Saxons either for political or military reasons to unleash war on the Iberian Peninsula and that is what would undoubtedly happen were Spain to be attacked. Whether the simpler methods of political disintegration which are at present being employed will be successful is doubtful, at all events in the case of Spain.

Turkey so far has maintained a clear policy of neutrality. Its ideal would have been agreement between England and Germany and consequently reliable security against her traditional enemy: Russia. However, the closer the Soviet Power approaches the Balkans, and the more England—in order to win the war—enters into the tow of the Bolshevists, the more difficult the position of Turkey becomes, for against Soviet Russia and England she cannot possibly maintain her neutrality. Attack by surprise on the part of Turkey against the Axis powers is not to be expected. No more likely however is it that England should allow the Dardanelles to pass into the hands of Soviet Russia and so lose her own safety in the Mediterranean which is her aim. Nevertheless even if England were merely to occupy the Dardanelles, this would at once be regarded by the Soviets as a hostile act. Turkey's future attitude is dominated by this problem of 'Haute Politique.' She is able to maintain her neutrality thanks to the diverging interests of Soviet Russia and the Western Powers. Expansionist plans she has none, not even against Bulgaria.

Our own Allies on the other hand are united and kept at our side by the fear of Bolshevism. That is understandable; for no people fights for another but only for its own existence.

Concerning the internal morale of *Finland* and *Bulgaria* there can be no doubt.

Roumania contains two worlds, the rigorous policy faithful to the alliance with us looks two ways. We must be clear with ourselves as to that.

In *Hungary,* as a feudal state on the old pattern, social contrasts are still present in their acute form. The country is therefore particularly liable to infection with the Communist idea. In no city in Europe however does this fact appear to be less recognized than in Budapest. In that city a dissolute and strongly Judaified society strata is living and dancing on a volcano. However in contradistinction to Italy, here the main mass of the officer caste at least has recognized the danger. For the present at all events for Hungary there is no political way out.

Japan: There a heroic people is fighting decisively for its existence just as we are. From the political-strategic point of view a great gap yawns in the Far East in the clear line of the fronts. Roosevelt and Churchill want Russia to join in the fight against Japan. We ourselves, from the purely military point of view, would be glad to see the Manchurian Armies cross the Amur or advance against Vladivostok. But on this point both the Asiatic powers stop their ears to the siren songs of the West. The reasons for this do not lie solely in the supplementary military burdens which both States would have to take upon themselves by such a decision, but more probably in their own long-term political considerations. For why should Japan start a war against Russia for as long as it can be certain that there will be no American-British air base at Vladivostok and while on the distant horizon there still looms large a conflict of the Western powers against Soviet Russia?

VI

Leaving the slippery ground of politics, I now turn to the problem which confronts the High Command today and will confront it in the near future. We are fighting along the *inner* line, that is, we are in a position to transfer strong forces from one theater of war to another in a much shorter time. Our great successes in the East in 1917|18 and in Italy in 1917 we owe to able exploitation of the inner line. Today this tactical advantage of the inner line is not so marked; at the moment the enemy is so strong on all fronts that in spite of our shorter lines of communication we are scarcely in a position to produce more than local superiority. This state of affairs may change if the Anglo-Saxons steps to form a second or third front in addition to the Italian. At the present time, however, the hardest task of all of the Command is to distribute its forces throughout the theater of war as a whole in such a way that we may be sufficiently strong at those points at which the enemy delivers the blow. Moreover, it must be borne in mind that we are not in a position rapidly to reinforce the South-East, or Finland, or Norway, because the necessary technical facilities are not present there. We have won advanced positions in Finland, Norway, Denmark, in the West, in Italy and in the South-East in order to keep the core of the Reich itself alive. The same reasons which compelled us to take these positions also compel us now, at this particular time, when the superior range of the enemy air arm is inflicting grave injury to the center of the Reich, to maintain them. To do so a certain measure of strength is necessary. That things are getting warm on the East front, must be admitted; however no success gained by the enemy is directly fatal there, with the exception of the loss of the Roumanian oil region. None the less the Command cannot close its eyes to the fact that the brand is now held in readiness at some time or other to start a conflagration in the West which if not extinguished then and there will pass beyond control.

It is at this point the various fronts ceaselessly drag on the nerves and decisions of the Fuehrer. Stegemann once put this into words as follows: "In war there is always the same conflict: the swing between spending and saving the forces accumulated. This has been and still is a problem not easy to solve. War with its unpredictabilities, its intangible dynamics, and its fluctuations of luck and chance cannot be determined beforehand. He who expends everything on one throw may later on, as the result of circumstances, be left with empty hands, and he who expends his accumulated forces sparingly may, as the result of circumstances, never come to win the upper hand. Only he who is able to solve this problem is able to master war. One thing however has always been so, namely, that whatever may be done must be done with all one's might if it is to pay. That is the only rule which in war has never failed."

Where the enemy will strike to obtain that decision, we do not know. He has a jumping-off base in the Mediterranean and a jumping-off base in England.

No theater of war can be weakened below a certain level. Our uttermost efforts can therefore only take the form of creating, in spite of all our manpower problems, new tactical central reserves over and above the necessary minimum of occupying forces. That is now being done. (Appendix.)

This however brings us to the next difficult problem which always arises in every long war: the inter-play and conflict between the need for soldiers at the front and the need for workers at home. Never before has this problem presented itself in so acute a form as in this highly mechanized war. Herewith a few figures. (Appendix.)

How therefore is the Command to decide? The front needs soldiers and the front needs weapons. Many weapons, and the better weapons the higher the value attached to the life of the fighting man himself.

If we had not the Fuehrer at the head with sovereign rights of decision there would be black murder done on this question. One thing however is sure: it is a crime to keep a man able to bear arms working at home if he can be replaced by some other worker or if his work is not vital. Fortunately Italy's betrayal has its good side in this question. The flow of military internees and workers from Italy will afford considerable relief in this domain.

This dilemma of manpower shortage has led to the idea of making more thorough use of the manpower reserves in the territories occupied by us. Here right thinking and wrong thinking are mixed up together. I believe that in so far as concerns labor, everything has been done that could be done. But where this has not yet been achieved, it appeared to be more favorable politically not to have recourse to measures of compulsion, exchanging for these order and economic aid. In my opinion however the time has now come to take steps with remorseless vigor and resolution in Denmark, Holland, France, and Belgium also to compel thousands of idle ones [*Nichtstuer*] to carry out the fortification work which is more important than any other work. The necessary orders for this have already been given.

The question of recruiting alien peoples as fighting men should however be examined with the greatest caution and skepticism. There was a time when something in the nature of a neurosis emanated from the East Front with the slogan "Russia can be conquered only by Russians." [In the typescript the word was typed as 'liberated.' This has been scratched out in favor of 'conquered.'] Many heads were haunted by the notion of an immense Vlasjov army. At that time we recruited over 160 battalions. Our experiences were good while we were ourselves attacking successfully. They became bad when the position changed for the worse and we were compelled to retreat. Today only about 100 Eastern battalions are available and hardly one of these is in the East. One Cossack and one Turkmen division are at the moment undergoing their test by fire in the South-East. At the moment the Reichsfuehrer of the SS is engaged in draining the defensive resources of Estonia and Latvia as well as the Croatian, Moslem, and Macedonian manpower supplies.

However, what weighs most heavily today on the home front, and consequently by reaction on the front line also, are the enemy terror raids from the air on our homes and so on our wives and children. In this respect the war—and this cannot be repeated often enough—has assumed forms solely through the fault of England such as are believed to be no longer possible since the days of the racial and religious wars.

The effect of these terror raids, psychological, moral, and material, is then that they must be relieved if they cannot be made to cease completely. It is true that they—like any other great trouble—have had some good effects. In face of the ruins of one's own possessions all social problems, all enviousness and all the petty impulses of the human soul die down. But this is no consolation for us. Asking too much of our air arm and inability on the technical side to keep pace with the aircraft development and radio location of our enemies have brought us to this pass. The efforts of the Fuehrer and the Reichs Marshal will overcome this crisis also. The first beginnings and first fruits are there. We shall counter the heavy and powerful armament of the 4-engined bombers by speed and the annihilating effect of fire at long range. Our enemies have realized this danger and are endeavoring to meet it by destroying the hearths of production. It is enough if the enemy bombers can be made with absolute certainty in all-day and-night raids to lose 10–12% of the aircraft put in. They might perhaps replace this loss on the equipment side, but not in personnel; and above all the morale of the crews, most of whom have no idea for what they are fighting and who among the Americans are mainly materialists, will not hold out against it. I am fully convinced that thanks to our new weapons and technical progress the raids in close squadron formation which alone by means of their bomb carpets have been able to produce so annihilating an effect will not escape their fate.

Nevertheless the greatest hopes of all have been stamped by the military command and the German people in U-boat warfare, and that with every right, since within the first week of the general large-scale strategic defensive which we have been forced by the development of the war and the gradual coming into effect of the superior war potential of our enemies, submarine warfare may be regarded as the only offensive sector of the German command. Here too, in the activities of this weapon, heavy set-backs have had to be recorded in the course of the last few months, setbacks which have resulted in the successes of the tonnage war no longer being able to keep up with the rate at which the enemy is able to build his merchantmen. The reason for the decline in U-boat successes lies in the anti U-boat defense measures which the opponent has been driving forward with the uttermost energy, making use for this purpose of wide-scale support by the air arm and new highly efficient detector equipment together with high efficiency bombs and submarine weapons. The present crisis in the German U-boat war is therefore directly traceable to the enemy's air superiority over the Atlantic. This crisis must and will be overcome. The extraordinary importance of the tonnage war remains unassailable, as before. In the past it has afforded the greatest hindrance to all enemy plans of operation and it will continue in the future to present the greatest threat to any future developments since all the continuous heavy transportation of men and equipment for the Anglo-Saxon Command and all supply for the armies employed in Europe and for England itself must come by sea. Elimination of the threat presented by the Tonnage-war would inevitably set free a vast enemy war potential for employment at other points.

On our side measures have been instituted, or are already being developed and driven forward with the utmost resolution, with a view to breaking the enemy defense and bringing about a radical improvement in the fighting value of the U-boat.

There is every reason to believe that they will lead to success in the near future and in this way put an end to the present slackening in the U-boat war.

For the rest the C in C of the navy has himself given you an account in greater detail of the general situation in the U-boat war.

In process of formation at the present time as a tactical reserve

20 Infantry divisions:

    4 Italian divisions.
    1 Croatian mountain div, 1 Croatian Legionary div.
    1 Galician infantry division.
    1 Macedonian infantry division.

2 Armored divisions:

5 Motorized (Panzergrenadier) divisions

    2 Northern Armored Grenadier divisions.
    2 Assault brigades.

2–3 Parachute divisions.

To V

Bulgaria To date 1.11.43

A. *Land forces:*

1. Home area	10 Inf Div (of which 1 in process of formation).
	1 Cav div.
	1 Cav brigade.
	1 Armored brigade.

2. Coastal defense	2 Inf divisions.
	1 Cav brigade.
3. Serbian occupied territory:	7 Inf divs.
In all:	19 Inf divs.
	1 Armored brigade.
	1 Cav division.
	2 Cav brigades.

B. *Air force* (only home area):

	9 Fighter squadrons (Jagdstaffeln).
	3 Combat squadrons (Kampfstaffeln).
	11 Reconnaissance and transport squadrons.

C. Airborne and parachutist squadrons: None.

Roumania To date 1.11.43

A. *Land forces:*

1. *Home area* (including Transistria)

a. Fully fit for service	3 Inf Div.
b. Conditionally fit for service	5 Inf Div.
	1 Mountain Div.
c. Replenished or reconstituted	8 Inf Div.
	1 Cav div.
	2 Cav div (mot).
	1 Armored Div.
2. *Russia:*	3 Inf divisions.
	4 Mountain divisions.
	2 Cav divisions.
In all:	19 Inf Div (of which 5 conditionally fit for service).
	5 Mountain divisions (of which 1 conditionally fit for service).
	5 Cav div of which 2 (mot).
	1 Armored division.

B. *Air Forces*

1. Home area	7	Fighter squadrons (modern equipment).
	1	Night fighter squad.
	8	Combat squadrons [Kampfstaffeln]
	19	Reconnaissance and transport squadrons.
2. Russia (employed with 4th Air Fleet)	5	Fighter squadrons.
	4	Combat squadrons [Kampfstaffeln]
	6	Battle squadrons [Schlachtstaffeln].
	4	Reconnaissance squad.
In all:	12	Fighter squadrons.
	1	Night Fighter squad.
	12	Combat [Kampf] squadrons.
	6	Battle [Schlacht] squadrons.
	23	Reconnaissance squad.

C. Airborne and Parachutist formations: none

Hungary To date 1.11.43

A. *Land forces:*

1. Home area (all formations conditionally fit for employment, equipment incomplete).	8	Inf div.
	1	Light division.
	1	Cavalry division.
	2	Mountain brigades.
	1	Armored division.
2. Russia (Occupation troops)	9	Light divisions (security divisions)
In all	8	Inf divisions.
	1	Cavalry division.
	10	Light divisions.
	2	Mountain divisions.
	1	Armored division.

B. *Air force:*

1. Home area	4 Fighter squadrons. 2 Combat squadrons. 1 Transport squadron.
2. Russia (employed with Air Fleet 4)	2 Fighter squadrons 2 Combat squadrons. 1 Battle squadrons. 2 Reconnaissance squad.
In all:	6 Fighter squadrons. 4 Combat squadrons. 1 Battle squadron. 2 Reconnaissance squadrons. 1 Transport squadron.

C. Airborne and parachutist formations: None.

Sweden to date 1.11.43

A. *Land forces:*

12–14 Inf divisions.
6–8 Cyclist brigades.
3–4 Armored brigades.
1 Mot brigade.

Corps and army units and frontier and coast guard formations.

At the moment it may be assumed that the number of men under arms is 400,000.

B. *Air force:*

In all: 700 Front-line aircraft.
76 Reconnaissance aircraft.
225 Fighters.
12 Torpedo aircraft.
of which approx. 482 modern types.

Finland to date 1.11.43

A. *Land forces:*

(all formations in the area of operations)

14 Inf div (of which 3 inf divisions as reserve behind the front).
2 Inf brigades.
1 Armored division.
1 Cavalry brigade.
3 Coastal defense brigades.

L–172

Corps and army units, in addition, navy, air arm, (replacement) [Ersatz] army, Home Air Defense, and building units to a total strength of approx. 450,000.

According to report, it is proposed to form 1 new infantry divisions and 2 infantry brigades.

B. *Air forces:*

7 Fighter squadrons.
4 Combat squadrons.
4 Other (reconnaissance and transport) squadrons.

Position with respect to Personnel on 1.10.1943

1. In the Armed Forces (Wehrmacht) on 1.8	9,860,000
of whom: Waffen SS	402,000
Navy	711,000
Air Arm	2,007,000
Replacement Army	2,185,000
Field Army[1]	4,555,000
2. United Kingdom (subject to occupational deferment) and temporarily rejected	5,726,000

Year-classes *1894*–1926.
[note in pencil: including 18–50 year olds]
of whom 348,000 year-class 1914–45

3. Unfit for service	2,931,000

Year classes 1894–1926

4. Available replacements[2]:

Year-class	
1894–1899	18,000
1900–1922	6,000
1923	1,000
1924	3,000
1925	45,000
1926[3]	468,000
	541,000

* * * * * * *

5. Aliens working in Reich territory (to date 15.8.43)

Men	3,586,000
Women	1,678,000
	5,264,000
	6........
6. Persons fit for work 1877–1927	57,500,000

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[1] Field Army as per strength on 1.8.43; no newer reports available.
[2] Year class 1884–1893 [Landsturm] at present still being called up.
[3] Year class 1926 at the moment in the RAD (Reichs Labour Service).

This figure represents the *sum total* of these year-classes (population acc. to the Census figures for 1939). According to the Balance-Sheet of forces of the Reichs Statistical Office the number of occupied German nationals (that is, *without* the Armed Forces, P.O.W. and aliens) on the 31.5.43:

Men	15,462,000
Women	14,274,000
	29,736,000

To II

Armed Forces Operations Staff/ORG (II)

FUEHRER'S G.H.Q. Nov. 3d 1943

3 copies

— copy

Men fit for service in the war supply industries (munitions industry)

Men liable for military service suitable and fit for service are to be found now in any number (excepting on the Reich railways and to some extent in agriculture) only in the war supply industries (including mining and building) and in particular in the munitions industry. The view continually being put forward by the munitions industry that any deduction of these young men liable for service would be bound to prejudice production is not shared by G.H.Q. Armed Forces in view of German labor which has flowed into the munitions industry since the beginning of the year of the basis of the Duty to Report and close down order throughout industry, of the Russian POW allocated by G.H.Q. Armed Forces (especially for mining), and the appreciable allocation being made at the present moment of Italian internees and free Italian labor, as well as other measures by the GBA (Plenipotentiary—General for Labor Supply—Arbeitseinsatz) and the Minister for munitions aimed at supplying supplementary labor.

The war supply industries (including mining and building) according to the figures for 1.10.43 included in all 2,950,000 men liable for service temporarily deferred. Of these—

year-classes	06–13	783,000
year-classes	14 & later	203,000

According to the report of the GBA the total number of workers which it was found possible to allocate for the production of munitions from the 1.1.–30.9.43 was 2,200,000 workers including 770,000 metal workers.

These allocations replaced 300,000 men called up from munitions for service with the colors and wastage and in addition reinforced the personnel of the most important munitions concerns by—

650,000 workers

The Fuehrer has now ordered that—
210,000 men liable for military service of the year-classes 01–22. be transferred from industrial war supply (including mining and building) in three monthly contingents of 70,000 men as from November '43.

However whereas the transfers to the Armed Forces effected up to the present could be more than compensated, the transfers now ordered will be covered, in addition to the current allocations of the GBA by approx. 500,000 Italian military internees who have now become available and in addition by free Italian labor to be recruited by the GBA and estimated by this body as numbering approx. 3,000,000 workers, so that no decline in production need be anticipated.

The early and complete call-up of all young men liable for military service in the front line still employed in industrial war supply should be demanded for psychological reasons as well. A large number of letters from official bodies, and in particular from the mass of the people, show clearly that the forthcoming call-up of the Landsturm (young-classes 84–93) is not understood while there are still so many young men liable for military service, working at home under temporary deferment.

To VI

FUEHRER'S GHQ, 4.11.1943
4 copies
— copy

Contribution by Op M (Operations Navy) to lecture by Chief of Armed Forces Operations Staff.

Position of the Navy in the beginning of November 1943

Submarine war:

The U-boat weapon is being employed in force in all the seas. Conditions much more difficult than before owing to comprehensive air reconnaissance (extension of range of reconnaissance as a result of the occupation of the Azores), excellent enemy detector apparatus, and exceptionally strong escort of convoys. The aircraft is today the chief enemy of the U-boat.

In spite of this by sticking stubbornly to the task and making fullest use of the U-boat weapon further successes have been gained. Increasing successes also recently in the fight against enemy aircraft and destroyers. Sinkages figures correspond to the difficulty of the position. Since 1.1.1943 sunk by U-boats only after careful counting far above 3,000,000 BRT plus a large number of destroyers, cruisers, and escort vessels. To this figure may be added in the merchant fleet and tonnage war as a whole the successes gained by the surface tactical forces, the air arm and *mines*. This gives us since 1.1.1943 a total figure of almost 5,000,000 BRT British-American merchant tonnage sunk (without Russia).

In the war at sea the main task of the Navy in all the seas under our control: protection of own communications by sea, injury to enemy fleets, supply shipping, military transport, and supply formations, defense against landing operations. All these tasks set extraordinarily high demands on the tactical and security formations of the Navy.

Position in the individual theaters of war

Baltic

Naval supremacy completely in our hands. Importance of Baltic for ore-traffic from Sweden. Lively own supply traffic to Finland, Finnish Gulf via Baltic entrances. Interference by British air mine warfare especially in the Kattegat, the Sound and the Belts and in the Western Baltic. Own loss up to the present very low thanks to active mine-clearing. Russians confined to inner part of Gulf of Finland by dense minefields. Attempts to break out so far always thwarted. In the inner Gulf of Finland recently several affrays with Russian trawler formations, all in our favor.

Importance of Baltic as training arm for the naval tactical forces and the submarine weapon.

North Sea

Deutsche Bucht (German Bight) and Skagerrak blocked by strong *mine-wall.* Own task: protection of lively coastal traffic, continuous patrol of shipping lanes, intensive mine detection, trawling and outpost activities. By means of continuous energetic air activity combined with mine-laying and raids by enemy speed-boats the enemy is endeavoring to stop our communications by sea. Up to the present we have always succeeded in maintaining communications without undue loss on our side. Good results in particular against enemy speed-boats.

Norway

Very busy own rations and supply traffic along the long stretch of coast under the protection of screening forces and numerous strong coastal batteries. Routes in the skerries protected by their natural position and mine-blocks. Our own escort movements interfered with by enemy air arms and speed-boats which hide in the skerries. Successes obtained by the enemy in attack so far very *slight.* In the Polar region attacks by Russian aircraft and submarines. Our own losses slight but enemy losses high.

Arctic

The presence of our own combat group of battleships and destroyers in Northern Waters is of considerable strategic influence. Since January of this year large-scale enemy supplies going to Russia via the Arctic have *not* been observed (Supply diverted to the far longer and more difficult route to the Persian Gulf and via Iran). U-boats employed against individual enemy movements in the Arctic. We have now to see whether the despatch of supplies to Russia by the Arctic route begin again in the period of darkness now setting in.

Channel

In spite of strong enemy superiority in the air and the lively activity of his light naval tactical forces combined with intensified mine-laying, German supplying and rationing traffic continues to be carried on practically on schedule. At the same time full employment of our own screening tactical units (mine detector, outpost, trawling and escort boats). Lively and successful offensive employment of our own speed-boats against British convoyed traffic and for mine-laying. Conditions difficult owing to British superiority on sea and in the air. Warfare in the Channel area shows increasing signs of enemy threat of landing operation. Strong coastal defense on one side.

Biscay Atlantic Coast

Air raids on our own ports have left U-boat defense unaffected. Main task for Navy:

Keeping the seaways open and maintenance of escort for U-boats coming in and going out. In addition, countermeasures against British mine laying, against strong British air observation and the appearance of light enemy naval tactical forces.

Mediterranean

A very strong enemy naval fighting force (3 British, 1 French, 5 Italian battleships, 13 cruisers, 55 destroyers) is unopposed on our side by any fighting forces with the exception of U-boats and S-boats. A few Italian destroyers and torpedo boats are being commissioned. Our own U-boats are being employed against very busy British supply traffic. Numerous successes. For the rest, the task of the Navy is to carry out and protect our own supply traffic for the combatant troops in the Ligurian and Tyrrhenia Seas and in the Adriatic. Increasing activity on the part of the enemy tactical air and light naval forces. Transfer of our own supply to small ships and coastal traffic. The necessary freight tonnage and screening forces are being made ready.

Aegean

Support of the island garrisons by protective formations of the German Navy. Carrying out supply and rationing overseas. Strong enemy activity with submarines, cruisers, destroyers, and tactical air forces.

Black Sea

All suitable fighting forces (U-boats, S- and R-boats, "MFP") employed to defend the Crimea. Own slight forces fully employed. Good success. So far activity of the Russian Black Sea Fleet slight. Up to the present rationing and supply traffic maintained in accordance with plan in spite of enemy air and submarine activity.

Distribution:

Chief of Armed Forces Operations Staff	1st copy
Op.H. (Army)	2d copy
Op.L. (Air)	3d copy
Op.M. (Navy)	4th copy

III. The grounds for our confidence in Final Victory

When at the end of my considerations I come to sum up the general situation in a few words I am bound to describe it quite candidly as difficult, moreover I cannot gloss over the fact that I expect further severe crises. My own attitude towards these prospects I should like to characterize directly by the aphorism from Fontaine:

Great times are always just those when everything seems to be going wrong, when every moment brings the fear: now its all done for. That's when it shows. Courage is good but sticking it out is better. Sticking it out, that's the main thing.

In particular however our confidence is built up on a series of points of view to be set forth objectively. At the head comes the ethical and moral foundation of our struggle which leaves its mark upon the general attitude of the German people and makes our Armed Forces a definitely reliable instrument in the hands of its Command. The force of the revolutionary idea has not only made possible a series of unprecedented successes, it also enables our brave troops to achieve feats in defense and in retreat according to plan such perhaps as the Russians but certainly no other people could achieve and which drive off into the realm of Utopia any hope on the part of our opponents for a military breakdown.

As against this the moral, political and military tendencies of our opponents by no means form a closed uniformly directed whole. This shows most clearly in the fighting morale of the English and Americans whose successes in Africa, Sicily, and Italy are solely ascribable to the weakness and treachery of our Italian ally. Where they have met German forces in battle, they have shown themselves inferior throughout and gained the advantage only as a result of multiple numerical advantage. This shows particularly clearly from the point of view of their conduct of the war, for according to our ideas it is totally incomprehensible that the Anglo-Americans should have avoided forming the Second Front in the West which their Russian allies have been demanding for over 2 years, and they have by no means extracted from their opportunities in Mediterranean that which according to the true state of affairs and by German standards of activity they might have extracted.

Well, whatever comes, any further attack by our opponents—whether in the North or West, in Italy or in the Balkans—will place their readiness for action to a hard test. We ourselves could tell a tale from the struggle in North Africa what supply difficulties can mean and the sacrifices they may entail. And reports of the most various kinds from the camps of our opponents all point in the same direction, showing how difficult the reversion of these conditions is already being found by the enemy.

My most profound confidence is however based upon the fact that at the head of Germany there stands a man who by his entire development, his desires, and striving can only have been destined by fate to lead our people into a brighter future. In defiance of all views to the contrary I must here testify that he is the soul not only of the political but also of the military conduct of the war and that the force of his willpower and the creative riches of his thought animate and hold together the whole of the German Armed Forces, with respect to strategy, organization and munitions of war. Similarly the unity of political and military command which is so important is personified by him in a way such as has never been known since the days of Frederick the Great.

That no command is free of errors has often been said by the Fuehrer himself, moreover the history of war—to use an aphorism of Schlieffen's—consists in general only of a series of errors and every war situation, naturally, can only be the product of errors.

What matters ultimately is constant readiness to act, the determination never to let oneself be beaten and always to stick to the enemy. That it is so now, I am able to assure you from the bottom of my heart.

Further, as regards the part played by his collaborators, once again, as before, a quotation from Clausewitz which is not very generally known has been found true: "The most perfect General Staff with the most correct views and principles does not in itself represent perfect leadership of an Army, if the soul of a great General is missing."

It behooves us all therefore to crush down within ourselves all faintheartedness and by so doing to create within ourselves the foundations of that confidence out of which alone victory can grow. After all, the other fellow is just a bit more frightened still, and a war is only lost when it is given up.

How this war will end, that no man can foretell. What imponderables it may yet bring with it, how many hopes may be disappointed, and how many troubles may turn to the contrary, lies hidden in the darkness of the future. All that is sure is that we shall never cease to fight for through the history of the world there run, like an bronze law, progress and advance upward. In these Europe has led, and at the head of Europe—Germany. A Europe under the whip of American Jews or Bolshevik commissars is unthinkable.

At this hour I would wish to testify not with the lips but from my deepest heart,

—that our trust and faith in the Fuehrer is boundless.

—that for us there is no higher law and no more holy duty than to fight to the last breath for the freedom of our people.

—that we will throw off all who are soft and forget their duties.

—that all the threats of our opponents only make us harder and more resolute.

—that we do not cherish any false hopes that anyone else might save us from that Bolshevism which will sweep away all should Germany fall.

—that we ourselves will defend the ruins of our country to the last cartridge since it is a thousand times better to live among them than in servitude.

—that we shall win because we must win since otherwise world history would have lost all meaning.

The Operations and Tactical Plans ranged in the order of their happening

1. Campaign against Poland; defense in the West.
2. Plan of attack against the West; attempt to realize this during the winter.
3. Spring campaign against Norway.
4. Summer campaign against the West.
5. Intention to land in England.
6. Attempt to win the Spanish position and take Gibraltar.
7. Decision to intervene in North Africa. Rommel's counterattack up to the Egyptian frontier.
8. Realization of the necessity of a campaign against Soviet Russia. (Discussion with Molotov in Berlin.)
9. Italy's surprise campaign against Greece.
10. The German campaign planned against Greece.
11. The overthrow in Yugoslavia and the campaign in the Balkans and its consequences; delay of the campaign in the East.
12. Rommel's retreat to Cyrenaica.
13. The Eastern campaign 1941 and the winter position 1941/42. Finland's entry into the war. The culminating point of the attack.
14. Japan's entry into the war.
15. The idea of occupying Iceland and the Azores.
16. The Russian Spring offensive; the German counter-attack.
17. The German summer offensive: The Crimea—the Don—the Volga—the Caucasus. The intention of taking Leningrad is not realized.
18. Rommel's offensive up to El Alamein.
19. Counterstroke by Western Powers. Landing in North Africa.
20. The German counterstroke in France. Occupation of the whole country. Occupation of the Mediterranean littoral, occupation of Tunisia.
21. The winter battle in Russia. The collapse of the confederates.
22. The loss of Tripolitania, attempt to hold Tunisia.
23. The loss of the entire African position.
24. The beginning of the landing in Europe (Sicily).
25. The summer offensive of the Soviet Army.
26. The treachery of Italy.
27. The landing on the Continent.

Reichs Security Main Office [RSHA]
II A 2 No. 567/42-176 Berlin, 5 November 1942

EXPRESS LETTER

To:

a. The Higher SS and Police Fuehrer
b. The Commanders and Inspectors of the Security Police and Security Service (SD)
c. The Chiefs of the State Police (chief offices)
d. The Supreme Commanders of the Security Police and the SD
e. The Chiefs of the Criminal Police (Chief offices)
f. The Chiefs of the SD-Sections (Chief Detachments)

Information to (Sections I, III, IV and V—5 copies each).

Subject: Criminal procedure against Poles and members of the Eastern peoples.

I. The Reichsfuehrer-SS has come to an agreement with the Reich Minister of Justice Thierack that the courts will forego the carrying out of regular criminal procedures against Poles and members of the Eastern peoples. These people of foreign extraction henceforth shall be turned over to the police. Jews and gypsies are to be treated likewise. This agreement was approved by the Fuehrer.

In pursuance of this agreement regulations are at present being worked out by the RSHA and the Reich Ministry of Justice to take effect possibly by 1 January 1943.

II. This agreement is based on the following considerations:

Poles and members of the Eastern peoples are persons of foreign extraction and racially of a lower value, residing in German Reich territory. This situation creates serious dangers for the German community which by necessity result in placing persons of foreign extraction under a criminal law different from the one concerning people of German-blood.

This necessity has not been fully taken into account so far. Only for Poles has there been a special regulation in the sphere of criminal law through the Ordinance concerning the Criminal Procedure against Poles and Jews in the incorporated Eastern territories of 4 December 1941 (Reich Law Gazette, "RGBl."—I page 759). But this special regulation also contains no basic solution of the questions which arise from the co-habitation of Germans with persons of foreign extraction. It only creates more severe penal regulations and a partly simplified criminal procedure for Poles. But the real question that persons of foreign extraction for reasons of national policy are to be treated entirely different from people of German blood is disregarded because basically, in spite of all aggravations, it applies to Poles the characteristics of the German criminal procedure.

In principle, therefore, the punishment of an offense committed by a Pole is still based on the same considerations which apply to the punishment of a German; this means the judge considers the personality of the offender and tries to find through a far-reaching appraisal of the personal motives of the offender a retribution for the crime which would do justice to the interests of the national community.

These considerations which may be right for the punishment of an offense committed by a German, are wrong with regard to the punishment of an offense committed by a person of foreign extraction. With regard to offenses committed by a person of foreign extraction the personal motives of the offender are to be disregarded entirely. Important is only that this offense endangers the order of the German community and that therefore measures must be taken to prevent further dangers. In other words the offense committed by a person of foreign extraction is not to be judged from the point of view of legal retribution by way of Justice, but from the point of view of preventing danger through police-action.

From this follows that the criminal procedure against persons of foreign extraction must be transferred from the courts to the Police.

III. The preceding statement serves for personal information. However, there are no objections to inform the Gauleiters accordingly should the need arise.

The Deputy
Signed: Streckenbach

Stamp of the Reich Fuehrer SS and Chief of the German Police in the Reich Ministry of Interior.

Certified: [signed] Kausch Clerk.

ACTION—GROUP A

[Pencilled] Personal property of SS-Obergruppenfuehrer Wv.31.1.1942

[Rubber-stamp] Secret matter of the Reich

40 copies copy nr. 23.

ACTION—Group A

Comprehensive Report up to 15 October 1941

Page

I. *Table of Contents* 1

II. *Activities in police matters*
  A. Measures of organization 13
  B. Cleansing and securing the action area 21
  C. Counteraction against espionage 39
  D. Control of persons and indexing 40
  E. Criminal police work 41

III. *Report on the Situation*
  A. Situation before the invasion by German forces....
  B. General conditions in the inhabited areas up to 1510.1941 47
  C. Jewish influence on the general conditions of life in the Eastern territory 107

IV. Nuisances and proposals for their removal 134

Action-Group A, after preparing their vehicles for action proceeded to their area of concentration as ordered on 23 June 1941, the second day of the campaign in the East. Army Group North consisting of the 16th and 18th Armies and Panzer-Group 4 had left the day before. Our task was to hurriedly establish personal contact with the commanders of the Armies and with the commander of the army of the rear area. It must be stressed from the beginning that co-operation with the Armed Forces was generally good, in some cases, for instance with Panzer-Group 4 under Col. Gen. Hoeppner, it was very close, almost cordial. Misunderstandings which cropped up with some authorities in the first days, were cleared up mainly through personal discussions.

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At the start of the Eastern Campaign it became obvious with regard to the *Security Police* that its special work had to be done not only in the rear areas, as was provided for in the original agreements, with the High Command of the Army, but also in the combat areas, and this for two reasons. On the one hand, the development of the rear area of the armies was delayed because of the quick advance and on the other hand, the undermining communist activities and the fight against partisans was most effective within the area of actual fighting—especially when the Luga sector was reached.

To carry out the duties connected with security police, it was desirable to move into the larger towns together with the armed forces. We had our first experiences in this direction when a small advance detachment under my leadership entered Kowne together with the advance units of the Armed Forces on 25 June 1941. When the other larger towns, especially Libau, Mitau, Riga, Dorpat, Reval, and the larger suburbs of Leningrad were captured, a detachment of the Security Police was always with the first army units. Above all, communist functionaries and communist material had to be seized, and the armed forces themselves had to be secured against surprises inside the towns; the troops themselves were usually not able to take care of that because of their small numbers. For this purpose the Security Police immediately after capture formed volunteer detachments from reliable natives in all three Baltic provinces; they carried out their duties successfully under our command. For example, it may be mentioned that the armed forces suffered not inconsiderable losses through guerillas in Riga, on the left of the Duena river; on the right bank of the Duena river, however, after these volunteer detachments had been organized in Riga not a single soldier was injured, although these Latvian detachments suffered some killed and wounded in fighting with Russian stragglers.

Similarly, native anti-Semitic forces were induced to start pograms against Jews during the first hours after capture, though this inducement proved to be very difficult. Following out orders, the Security Police was determined to solve the Jewish question with all possible means and most decisively. But it was desirable that the Security Police should not put in an immediate appearance, at least in the beginning, since the extraordinarily harsh measures were apt to stir even German circles. It had to be shown to the world that the native population itself took the first action by way of natural reaction against the suppression by Jews during several decades and against the terror exercised by the Communists during the preceding period. After reaching the Duena river and therewith Riga, the Action-Group detached itself at first from the further advance of the Army-Group North, and concentrated its forces on the pacification of the Lithouanian and Latvian area, and later of the old-Russian area which was reached at Opotschka. The work in this connection took on many shapes. In view of the constant changes in German troops and the fluctuation within the German authorities, which was caused by the transfer of the rear-area of the Wehrmacht to the rear-area of the Armies, and later to the civil administration and to the Commander of the Armed Forces the personnel and thus the opinions of the German authorities changed far too often and far too quickly. In the Security Police this had to be avoided, which led us to adopt the policy of keeping the same commanders in the same locality as far as possible. Thereby the Security Police gained a considerable advantage over all other comers, because it knew facts and people. As a matter of fact, they alone amongst all authorities may claim to have achieved a certain steadiness on the German side. The Lithouanians, Latvians, and the Esthonians, who have a fine feeling for such matters, came soon to acknowledge this fact and acted accordingly. Under these circumstances the Security Police tried to guide political, economic, and cultural matters according to definite policies, and to advise the other German authorities on these subjects. In the political sphere particularly the several competent authorities followed different viewpoints. It was regrettable that the Ministry for Eastern Affairs had not given clear directions from the beginning, so that up to date and in spite of our efforts the situation in the Baltic provinces is not clear. The example of Esthonia is significant for this fluctuation. In agreement with the RSHA the Action-Group brought with them the Esthonian Dr. Mae as presumptive political adviser for the Esthonians. In order to avoid a pernicious muddle, as happened in Lithouania and Latvia, and in order to obtain the appointment of Dr. Mae or to avoid his removal, negotiations had to be carried out with, one after the other, the Army division capturing Reval, the Army Corps competent for Reval, the Garrison commander Reval, the Field Commandatura Reval, the 18. Army Group, North, the Commander of the Rear Army Area at the Army Group North, the General Commissioner and his deputy, and with the representative of the Ministry for Eastern Affairs. After the conquest of Lithouania and Latvia, the Action-Detachments 2 and 3 were separated from the Commander of the Rear-Area of the Armed Forces and were left in Lithouania and Latvia respectively for essential assignments. The Commanders of Action-Detachments 2 and 3 have been staying permanently in Kowno and Riga since the beginning of July. Contact was established also with the Reich Commissioner as soon as he was appointed and likewise with the General Commissioners, i.e. by the Action-Group and by the Action-Detachments. Co-operation with the Reich Commissioner depended on:

a. a delay in the inquiry addressed to the RSHA as to how the interpolation (sc. of the Security Police) at the Reich Commissioner's should be effected, and

b. on the negotiations of the Superior SS- and Police Fuehrer who on his own account had initiated negotiations with the Reich commissioner with regard to the interpolation of the police. No initiative of our own was admissible therefore until the questions to a) and b) had been settled. It was intended to get in touch with the Reich Commissioner with regard to this question at a convenient moment. There are plenty of special occasions. When the advance of the Army Group North was halted in Esthonia and at Luga and when heavy fighting and strong Russian attacks against the centre and the right wing ensued, the Action-Group again teamed up with the armies, in particular the 4. Panzer Group, because the struggle against the partisans who now began to appear in great numbers, was and still is a job for the Security Police. The area to the North of Pleskau and between the Peipus- and Ilmen- lakes with far extending forest and swamps was really an ideal area for Russian partisan warfare. The difficulties of the terrain further impeded activities even for the smaller units. After the failure of purely military activities such as the placing of sentries and combing through the newly occupied territories with whole divisions, even the Armed Forces had to look out for new methods. The Action-Group undertook to search for new methods. Soon therefore the Armed Forces adopted the experiences of the Security Police and their methods of combatting the partisans. For details I refer to the numerous reports concerning the struggle against the partisans. The activities of the Security Police were rendered more difficult during the further course of the struggle against the partisans because the vehicles either could not be used or were to be preserved for the advance on Leningrad, which was always expected at that time. Special difficulties arose for the Command of the Action-Group at this time. Whilst the larger parts of the Security Police, in action in Lithouania and Latvia, were 700 km to the rear, the other parts were in action against the partisans behind the frontline, extending for nearly 600 km. For the transmission of signals we had only a wireless truck stationed in Riga, and one medium and one light wireless truck for this vast area. Even the use of army telephones failed over distances of more than 200 km. The Action-Group as a whole could be led only by personal contacts, although the ways and roads, including the army highways, were in an extremely bad state. Even on the army highway an hourly average speed of 10 km could not be exceeded. In spite of this, my own motorcar had to do 15.000 km during this time. Similar difficulties because of the vast areas arose for the Commanders of the Action-detachments, so that even messenger trips became a serious problem. For some time this situation became even more difficult, when the further attack against Leningrad no longer followed the great road from Pleskau via Lungau, but had to bend far to the West, so that the centre of the counter-attacks against partisans was transferred to the forest and swamp areas East of the Peipus Lake and the areas to the West of the Ilmen Lake."

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During the process of capturing Esthonia the Action-Group 1a was transferred definitely to Estonia, except for the detachment with the 18th Army. The pacification of Estonia had to be considered as especially important because of the good racial composition of the population. After Action-Group B had transferred parts of White Ruthenia to Action Group A, Action-detachment 1b reinforced by parts of Action-detachment 2 and 3 took over this area. For the investment of Leningrad, the Security Police aside from the heavily increased activities against the partisans, received the further assignment to observe carefully the population which was slowly returning from the woods. As trench warfare developed around Leningrad, it was recommended to the armies to evacuate wholly a zone around Leningrad, a measure which had been carried out already whenever possible by the Security Police together with units of Armed SS and the uniformed police. In this area a network for information is being established which is to be as complete as possible. From the very beginning, the Security Police systematically collected information about Leningrad in all aspects. The 18th Army asked us to take over in addition military reconnaissance of Leningrad of resp. the area of the 8th Russian Army which was invested in the area around Oranienburg. * * * This description of the over-all situation showed and shows that the members of the Stapo (the Secret State Police), Kripo and SD (Security Service) who are attached to the Action-Group, are active mainly in Lithouania, Latvia, Esthonia, White-Ruthenia and to a smaller part in front of Leningrad. It shows further that the forces of the uniformed police and the Armed SS are active mainly in front of Leningrad, in order to take measures against the returning population and under their own officers.

This is so much easier because the Action detachments in Lithouania, Latvia and Esthonia have at their disposal native police units, as described in encl. 1, and because so far 150 Latvian reinforcements have been sent to White-Ruthenia. The distribution of the leaders of Security Police and SD during the individual phases can be gathered from encl. 2, the advance and the activities of the Action-Group and the Action-detachments from encl. 3. It should be mentioned that the leaders of the Armed -SS and of the uniformed police who are reserves have declared their wish to stay on with the Security Police and the SD.

A. *The Baltic Area.* I. *Organization Measures.* 1. *Formation of auxiliary police and of police.* In view of the extension of the area of operations and the great number of duties which had to be performed by the Security Police, it was intended from the very beginning to obtain the co-operation of the reliable population for the fight against vermin—that is mainly the Jews and Communists. Beyond our directing of the first spontaneous actions of self-cleansing, which will be reported elsewhere, care had to be taken that reliable people should be put to the cleansing job and that they were appointed auxiliary members of the Security Police. The difference of the situation in each part of the area of operations also had to be taken into account. In Lithouania activist and nationalist people formed themselves into so-called partisan-units at the beginning of the Eastern Campaign, in order to take active part in the fight against Bolshevism. According to their own report they suffered 4,000 casualties.

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2. *Reconstruction of prisons.* The prisons in the Baltic countries were found to be either empty or occupied by Jews or Communists who had been arrested by Self-Protection Units.

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Whenever the prisons were too small because of the large number of people who were to be arrested, provisional concentration camps were established. The construction of large concentration camps is in preparation. The schedules attached as encl. 5 show the present occupancy of the prisons.

II. *Cleansing and Securing the Area of Operations.* 1. *Instigation of self-cleansing actions.* Considering that the population of the Baltic countries had suffered very heavily under the government of Bolshevism and Jewry while they were incorporated in the USSR, it was to be expected that after the liberation from that foreign government, they (i.e. the population themselves) would render harmless most of the enemies left behind after the retreat of the Red Army. It was the duty of the Security Police to set in motion these self-cleansing movements and to direct them into the correct channels in order to accomplish the purpose of the cleansing operations as quickly as possible. It was no less important in view of the future to establish the unshakable and provable fact that the liberated population themselves took the most severe measures against the Bolshevist and Jewish enemy quite on their own, so that the direction by German authorities could not be found out.

In Lithouania this was achieved for the first time by partisan activities in Kowno. To our surprise it was not easy at first to set in motion an extensive pogrom against Jews. Klimatis, the leader of the partisan unit, mentioned above, who was used for this purpose primarily, succeeded in starting a pogrom on the basis of advice given to him by a small advanced detachment acting in Kowno, and in such a way that no German order or German instigation was noticed from the outside. During the first pogrom in the night from 25. to 26.6 the Lithouanian partisans did away with more than 1.500 Jews, set fire to several Synagogues or destroyed them by other means and burned down a Jewish dwelling district consisting of about 60 houses. During the following nights about 2,300 Jews were made harmless in a similar way. In other parts of Lithouania similar actions followed the example of Kowno, though smaller and extending to the Communists who had been left behind.

These self-cleansing actions went smoothly because the Army authorities who had been informed showed understanding for this procedure. From the beginning it was obvious that only the first days after the occupation would offer the opportunity for carrying out pogroms. After the disarmament of the partisans the self-cleansing actions ceased necessarily.

It proved much more difficult to set in motion similar cleansing actions in *Latvia*. Essentially the reason was that the whole of the national stratum of leaders had been assassinated or destroyed by the Soviets, especially in Riga. It was possible though through similar influences on the Latvian auxiliary to set in motion a pogrom against Jews also in Riga. During this pogrom all synagogues were destroyed and about 400 Jews were killed. As the population of Riga quieted down quickly, further pogroms were not convenient.

So far as possible, both in Kowno and in Riga evidence by film and photo was established that the first spontaneous executions of Jews and Communists were carried out by Lithouanians and Latvians.

In *Estonia* by reason of the relatively small number of Jews no opportunity presented itself to instigate pogroms. The Esthonian self-protection units made harmless only some individual Communists whom they hated especially, but generally they limited themselves to carrying out arrests.

2. *Combating Communism.* Everywhere in the area of operation counteractions against communism and Jewry took first place in the work of the Security Police.

The Soviet officials and the functionaries of the Communist Party had fled with the Soviet Army. In view of the experiences made during the Bolshevist oppression which lasted more than one year, the population of the Baltic countries realized that all remainders of Communism left behind after the retreat of the Red Army had to be removed. Such basic opinion facilitated essentially the work of the Security Police with regard to cleansing in this sphere, especially since active nationalist people cooperated in this cleansing, viz. in Lithouania the partisans, in Latvia and Esthonia the self-protection units.

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b. Search for and Arrest of Communists. Aside from these searching activities, a systematic search was made for Communist functionaries, Red-Army soldiers, and persons more seriously suspect because of their activities for Communism and who had been left behind. In some places the Self-Protection Units themselves had rendered harmless the most infamous Communists already spontaneously. Using all available units of the Detachments and Self-Protection Formations, and with the help of the German uniformed police, large scale actions were carried out in the larger towns resulting in many arrests and search actions.

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3. *Action against Jewry.* From the beginning it was to be expected that the Jewish problem in the East could not be solved by pogroms alone. In accordance with the basic orders received, however, the cleansing activities of the Security Police had to aim at a complete annihilation of the Jews. Special detachments reinforced by selected units—in Lithouania partisan detachments, in Latvia units of the Latvian auxiliary police—therefore performed extensive executions both in the towns and in rural areas. The actions of the execution detachments were performed smoothly. When attaching Lithouanian and Latvian detachments to the execution squads, men were chosen whose relatives had been murdered or removed by the Russians.

Especially severe and extensive measures became necessary in *Lithouania.* In some places—especially in Kowno—the Jews had armed themselves and participated actively in franctireur war and committed arson. Besides these activities the Jews in Lithouania had collaborated most actively hand in glove with the Soviets.

The sum total of the Jews liquidated in Lithouania amounts to 71.105.

During the pogroms in Kowno 3.800 Jews were eliminated, in the smaller towns about 1.200 Jews.

In *Latvia* as well the Jews participated in acts of sabotage and arson after the invasion of the German Armed Forces. In Duensburg so many fires were lighted by the Jews that a large part of the town was lost. The electric power station burnt down to a mere shell. The streets which were mainly inhabited by Jews remained unscathed.

In Latvia up to now 30.000 Jews were executed in all. 500 were made harmless by pogroms in Riga.

Most of the 4.500 Jews living in Esthonia at the beginning of the Eastern Campaign fled with the retreating Red Army. About 2.00 stayed behind. In Reval alone there lived about 1.000 Jews.

The arrest of all male Jews of over 16 years of age has been nearly finished. With the exception of the doctors and the Elders of the Jews who were appointed by the Special Commandos, they were executed by the Self-Protection Units under the control of the Special Detachment 1a. Jewesses in Pernau and Reval of the age groups from 16 to 60 who are fit for work were arrested and put to peat-cutting or other labor.

At present a camp is being constructed in Harku, in which all Esthonian Jews are to be assembled, so that Esthonia will be free of Jews within a short while.

After the carrying out of the first larger executions in Lithouania and Latvia it became soon apparent that an annihilation of the Jews without leaving any traces could not be carried out, at least not at the present moment. Since a large part of the trades in Lithouania and Latvia are in Jewish hands and others carried on nearly exclusively by Jews (especially those of glaziers, plumbers, stovebuilders, cobblers) many Jewish partisans are indispensable at present for repairing installations of vital importance for the reconstruction of towns destroyed and for work of military importance. Although the employers aim at replacing Jewish labor with Lithouanian or Latvian labor, it is not yet possible to displace all employed Jews especially not in the larger towns. In co-operation with the labor exchange offices, however, all Jews who are no longer fit for work are being arrested and shall be executed in small batches.

In this connection it may be mentioned that some authorities of the Civil Administration offered resistance, at times even a strong one, against the carrying out of larger executions. This resistance was answered by calling attention to the fact that it was a matter of carrying out basic orders.

Apart from organizing and carrying out measures of execution, the creation of *Ghettos* was begun in the larger towns at once during the first days of operations. This was especially urgent in Kowno because there were 30.000 Jews in a total population of 152.400. Therefore, at the end of the first pogrom a Jewish Committee was summoned who were informed that the German authorities so far had not seen any reason to interfere in the quarrels between Lithouanians and Jews. The sole basis for creating a normal situation would be to construct a Jewish Ghetto. Against remonstrations made by the Jewish Committee, it was declared that there was no other possibility to prevent further pogroms. On this the Jews at once declared themselves ready to do everything in their power to transfer their co-racials to the town district of Viriampol which was intended as a Jewish Ghetto and with the greatest possible speed. This own district lies in the triangle between the Mamel river and a tributary; it is connected with Kowno by one bridge only and can, therefore, easily be locked off.

In Riga the so-called "Moskau suburb" was designated as a Ghetto. This is the worst dwelling district of Riga, already now mostly inhabited by Jews. The transfer of the Jews into the Ghetto-district proved rather difficult because the Latvians dwelling in that district had to be evacuated and residential space in Riga is very crowded. 24,000 of the 28,000 Jews living in Riga have been transferred into the Ghetto so far. In creating the Ghetto, the Security Police restricted themselves to mere policing duties, while the establishment and administration of the Ghetto as well as the regulation of the food supply for the inmates of the Ghetto were left to Civil Administration; the Labor Offices were left in charge of Jewish labor.

In the other towns with a larger Jewish population Ghettos shall be established likewise.

Marking of the Jews by a yellow star, to be worn on the breast and the back which was ordered in the first instance by provisional orders of the Security Police, was carried out within a short time on the basis of regulations issued by the Commander of the Rear area and later by the Civil Administration.

The number of Jews executed up to the present may be seen in the schedule on encl. 8.

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Copies of the latest experience reports are attached as encl. 9. [This enclosure reveals the name of the Commander of the Action-Group: Dr. Stahlecker, SS-Brigade Commander and Major-General of the Police.]

5. *Other jobs of the Security Police. 1.* Occasionally the conditions prevailing in the lunatic asylums necessitated operations of the Security Police. Many institutions had been robbed by the retreating Russians of their whole food supply. Often the guard and nursing personnel had fled. The inmates of several institutions broke out and became a danger to the general security; therefore in Aglona (Lithouania), 544 lunatics; in Mariampol (Lithouania), 109 lunatics and; in Magutowo (near Luga) 95 lunatics were liquidated.

Sometimes authorities of the Armed Forces asked us to clean out in a similar way other institutions which were wanted as billets. However, as interests of the Security Police did not require any intervention, it was left to the authorities of the Armed Forces, to take the necessary action with their own forces.

2. The Action-Commandos dealt to a large extent with the search for persons who had been deported and with the exhumation of people who had been murdered by the Russians. For reasons of propaganda the propaganda squadrons of the Armed Forces and sometimes of the foreign press were made to participate.

In Esthonia the exhumation of Esthonians murdered by the Russians was organized more extensively. In view of the extent of the work which had been done here, a central office was established in Reval, in order to organize searches for the whereabouts of removed and murdered persons, under the systematic guidance of the Security Police.

The extent of this work is shown by the fact that from Reval alone 30.000 men had been reported missing.

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V. Work of the Police concerning Crime Detection.

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In order to eliminate the most heavy cases of crime until preventive measures can be introduced, professional criminals are being taken into the care of the Action-detachments and executed whenever the case warrants such measures.

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Action-Group B liquidated so far 7.620 Jews in Borrissow.

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III. *Report on the Situation*

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A. *The Situation in Lithouania.* As the population did not receive any information with regard to their future fate, the national-minded part (sc. of the population) is still thinking of a future Lithouanian State of their own. No effort can be noticed to approach the Lithouanian people to the German peoples.

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The active anti-Semitism which flared up quickly after the German occupation did not falter. Lithouanians are voluntarily and untiringly at our disposal for all measures against Jews, sometimes they even execute such measures on their own.

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The faculties of Arts and Sciences should be closed altogether. There is some need though for the Medical faculty and some of the technical branches. More than 60% of the dentists were Jews; more than 50% of the other doctors as well. The disappearance of these brings about an extreme shortage of doctors which cannot be overcome even by bringing in doctors from the Reich.

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B. *The Situation in Latvia.* In Courland the ordinance of the Naval Commander in Libau, Captain Dr. Kavelmacher of the German Navy had caused some unrest. This ordinance announced measures of reprisal against the population of Libau in case of attacks against German soldiers. It reads as follows:

'For each and every case of a known or unknown culprit firing on German soldiers, certain people of Libau shall be arrested and shot at once under Martial Law.' 'Similarly' runs the ordinance 'for each and every attempt of sabotage whether effective or not, part of the Latvian population living near the place of the act of sabotage shall be arrested and shot under Martial Law'. This ordinance was published in the Libau paper "Das Kurlaendische Wort". The Libau population is quite excited, as may be understood. The fear is abroad that further actions may be provoked by hostile people (Communist or Jewish).

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Table of Enclosures

Enclosures:

1. a. Survey of the whole Personnel of the Action-Group A.
1. b. Map of Distribution of the Members of Action-Group A on action commandos.
2. (Headquarters) of Commanders of Action-Group.
3. Lines of Advance of Action-Group A.
4. Strength and Distribution of the Auxiliary Police.
5. Figures on Prison-Inmates.
6. Special Report on the GPU in Latvia.
7. Survey of the Supreme Authorities of the Esthonian Socialist Soviet-Republic.
8. Report on the Number of Executions.
9. Report on Experiences in Counteractions against Partisans.
10. Schedule concerning Organization and Distribution of departments of the Crime Detective Force in Latvia.
11. Report on the Work of the Crime Detective Force in Latvia.
12. Schedule of the Crime Detective Force in Esthonia.
13. The Peoples of the Baltic Countries.
14. Map showing Employees in the Baltic Countries according to Economic Branches.
15. Number of Employees of the Main Economic Groups in the Baltic Countries.
16. Number and Distribution of Jewish Population in the Areas.
17. Share of the Jews in the Economy.
18. Share of Jews in Number of Latvian Trade Establishments.

Encl. 1 a

Total Strength of Action Group A

Total:	990	
Waffen—SS	340	34.4%
Motor Bicycle-Riders	172	17.4%
Administration	18	1.8%
Security Service (SD)	35	3.5%
Criminal Police [Kripo]	41	4.1%
State Police [Gestapo]	89	9.0%
Auxiliary Police	87	8.8%
Order Police	133	13.4%
Female Employees	13	1.3%
Interpreters	51	5.1%
Teleprinter-Operators	3	0.3%
Wireless-Operators	8	0.8%

Enclosure 1 b

Composition of the Action-detachments

Action-detachments	1 b		1 b		2		3	
Interpreters	15	13.7%	6	5.4%	18	10.8%	8	5.6%
Wireless-Operators	2	1.9%	1	0.9%	2	1.2%	1	0.7%
Teleprinter-Operators						1.8%		
Reservists	25	24%	26	23.7%	41	23.6%	32	22.9%
Motorbicycle-Riders	23	22.1%	34	30.9%	50	29.4%	34	24.3%
Administration	3	2.9%	2	1.8%	4	2.4%	1	0.7%
Security Service	8	7.8%	3	2.7%	8	4.8%	10	7.%
Criminal Police	11	10.5%	6	5.4%	13	7.8%	10	7.%
State Police Gestapo	18	16.2%	12	11.%	26	15.6%	29	20.6%
Auxiliary Police			20	18.2%			15	10.5%
Female Employees	1	0.9%			4	2.4%	1	0.7%
Total	105		110		170	[sic]	141	

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Enclosure 5. Occupation of Prisons.

Prisons in Lithouania. Action-detachment 3 at present in ascertaining the number of occupants of prisons in Lithouania.

In Kowno are under arrest:
in the central prison..............520 persons, including 50 Jews
in the police prison............... 69 persons, including 3 Jews

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Enclosure 8. Survey of the number of executed persons.

Area	Jews	Communists	Total
Lithouania			
Kowno town and surroundings (land)	31.914	80	31.994
Schaulen	41.382	763	42.145
Wilna	7.015	17	7.032
	80.311	860	81.171
Latvia			
Riga town and surroundings (land)			6.378
Mitau			3.576
Libau			11.860
Wolmar			.209
Dueanaburg	9.256	589	9.845
	30.025	1.843	31.868
Esthonia	474	684	1.158
White-Ruthenia	7.620		7.620
Total:			
Lithouania	80.311	860	81.171
Latvia	30.025	1.845	31.868
Esthonia	474	684	1.158
White-Ruthenia	7.620	....	7.620
	118.430	3.387	121.817

To be added to these figures:

In Lithouania and Latvia Jews annihilated by pogroms......	5.500
Jews, Communists and partisans executed in old-Russian area..	2.000
Lunatics executed	748
	122.455
Communists and Jews liquidated by State Pol. and Security Service Tilsit during search actions	5.502
	135.567

Map showing "Number of persons liquidated in the Baltic countries as per 25.10.1941."

The following figures have been entered into the map:

District of Libau in area of Courland	11.860
District of Mitau in area of Semgslen	3.576
District of Riga town in area of	6.378
District of Riga town in area of Livland	209
District of Fellin	1.158
District of Dueanburg in area of Lettgslen	9.845
in area of Shcaulen	42.145
District of Kowno	31.994
in area of Wilna-land	7.032
Additionally pogrom	
in Lithouania and Latvia about	5.500
border area Lithouania	5.502

Enclosure 9: Report on Activities and Experience in Counteractions against Partisans. First Report:

Action Group A of the Security Police and the Security Service. (Gen-) *Staff* 17.7.1941

Report on activities and Experiences in Counteractions against Partisans.

When it was decided to extend the German operations to Leningrad and also to extend the activities of Action Group A to this town, I gave orders on 18 July 1941 to parts of Action Detachments 2 and 3 and to the Staff of the Group to advance to Novosselje, in order to prepare these activities and to be able to advance as early as possible into the area around Leningrad and into the city itself. The advance of the forces of Action Group A which were intended to be used for Leningrad, was effected in agreement with and on the express wish of Panzer-Group 4.

The detachment which was formed for action towards Leningrad was trained for operations in Leningrad during the first days after the advance to Novosselje. However, as an advance to Leningrad is not to be expected at the time planned previously, the parts of Action detachments 2 and 3 which were concentrated in Novosselje were used for extensive operations of cleansing and pacifying in the area of Panzer-Group 4, in agreement with this Group. This is done mainly in the area limited by the connection-line between Pog-Gora-Novosselje-Osjerjewo.

In their operations it was intended to arrest in the first instance any remaining Communist functionaries, and other active Communists and Jews. As nearly all Jews and Communist functionaries had fled with the retreating Soviet forces, only 6 Jews and 10 Communists were arrested and executed."

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At the start the following procedure was followed:

In villages, in the area where partisans had not been ascertained before, one behaved friendly towards the population. In view of the generally known shortage of bread one usually succeeded very quickly in finding one or several villagers who could be used as persons of confidence. They were promised to get bread provided they would give information concerning partisans or if they would inform the nearest units of the German Army or Police of any partisans appearing in the future. The network of information, thus built up yielded much information for the Action-Group, thus enabling them to surround more narrowly the quarters of the partisans.

There was especially information concerning villagers who had given good or provisional shelter to partisans. On the basis of these reports a great many villages were combed out. After a village had been surrounded, all the inhabitants were forcibly shepherded into one square. The persons suspected on account of confidential information and other villagers were interrogated, and thus it was possible in most cases to find the people who helped the partisans. These were either shot off-hand or if further interrogations promised useful information, taken to headquarters. After the interrogation they were shot.

In order to get a deterring effect, the houses of these who helped the partisans were burned down on several occasions. The population which had congregated was told of the reasons for the punitive measures. At the same time they were threatened that the whole village would be burned down if partisans were helped once more and if partisans appearing in the village were not reported as quickly as possible.

The tactics, to put terror against terror, succeeded marvelously. From fear of reprisals, the peasants came a distance of 20 km and more to the headquarters of the detachment of Action Group A on foot or on horseback in order to bring news about partisans, news which was correct in most of the cases. During the cleansing operations which were made on account of these reports, 48 helpers of partisans, including 6 women, were shot so far.

In this connection a single case may be mentioned, which proves the correctness of the principle "terror against terror". In the village of Jachnowa it was ascertained on the basis of a report made by the peasant Jemeljanow and after further interrogations and other searches that partisans had been fed in the house of Anna Prokoffjewa. The house was burnt down on 8 August 1941 at about 21 hours, and its inhabitant arrested.

Shortly after midnight partisans set alight the house of the informer Jemeljanow. A detachment sent to Jachnowa on the following days ascertained that the peasant woman Ossipowa had told the partisans that Jemeljanow had made the report which had caused our action.

Ossipowa was shot and her house burnt down. Further two 16 year old youths from the village were shot because according to their own confession, they had rendered information and courier-services to the partisans. Obviously, it was on account of these punitive measures that the partisans left the forest camp near the village. The camp was found during this operation.

* * * * * * *

Dr. Stahlecker
ss Brigade Commander and Maj Gen
of the Police.

(Second report)

The Commander of the Security Police and the Security Service
Action-Group A.

Riga 29.9.1941

Report on Experiences in Counteractions against the Partisans

* * * * * * *

Action detachment of Action Group A of the Security Police participated from the beginning in the fight against the nuisance created by partisans. Close collaboration with the Armed Forces and the Exchange of experiences which were collected in the fight partisans, brought about a thorough knowledge of the origin, organization, strength, equipment and system used by the Red partisans as time went on.

* * * * * * *

IV. Counteractions against the Partisans.

As it was vitally necessary, though, to obtain hints and information concerning abode and direction of the partisans from the population, the latter had to be forced by the use of the most severe measures, to supply useful information and reports. In the knowledge that the Russian has been accustomed from old to ruthless measures on the part of the authorities, the most severe measures were applied. He who helped the partisans to obtain food and shelter, rendered them information services or who have knowingly false information, was shot or hanged. Houses where partisans obtained food or shelter were burnt down. Where a larger number of villagers helped the partisans in such a way, the whole village was burnt down as punishment and in order to create terror.

* * * * * * *

Escaped Red Armists who have found their way through the German lines procure civilian clothes as quickly as possible and get in touch with partisans. It has been ascertained that these Red-Armies form the fighting back-bone of the partisan units. It does not seem, therefore, expedient to treat Red-Armists found in civilian clothing as prisoners of war without further ado and to collect them in prisoner-of-war camps. But an interrogation and survey has to be carried out as thoroughly as possible. It has further to be considered in each and every case, whether Red-Armists found in civilian clothes should be separated from regular prisoners of war, and should be brought into the assembly camps for civilian internees. It seems further suitable to exhort escaped Red-Armists by posters to give themselves up at the nearest Army Unit within a short time after the posting of such posters, say within 3 days. Should they not comply with this order they should be dealt with as partisans, that means they should be shot, without making such exception dependent of proof that they actually knew of the order.

To conclude, attention should be drawn to the necessity of interrogating captured partisans thoroughly before they are liquidated so that we increase our knowledge on organization, abode, strength, armament and plans of the partisans. Sometimes it may become necessary to take advantage of the opportunity to use third degree interrogation methods.

Signed: Dr. Stahlecker
SS-Brigade-Commander

PARTIAL TRANSLATION OF DOCUMENT L-185

Subject: Plan of the Division of Work of the Reich Security Main Office (RSHA)

Enclosed, the plan of the division of work of the RSHA is forwarded.

As far as plans are drawn up in the future for the inspectors of the Security Police, State police (Main) agencies, Criminal Police (Main) agencies and the Security Service (Main) Sections (SD), they are to be adapted as far as possible to the plan of the division of work of the RSHA.

Certified: PRAMM, Chancellery Employee
By order: 1st Dr. NECKMANN

Berlin, 1 March 1941.

Plan of the Division of work of the RSHA.

Status of 1 January 1941.

Chief of the Security Police and of the SD	SS Major General HEYDRICH
Chief Adjutant	SS Major Major of Protective Police POMME
1st Adjutant	SS Major Regierungsrat Dr. PLOETZ
2nd Adjutant	SS Captain KLUCKHORN
Adjutant, Registry	SS 1st Lieutenant WERTH
Adjutant for special duties	SS Major SCHEIDLER
Personal Press Specialist	SS Major RADKE

(at the same time on staff of Chief of Dept. VII)

Department (AMT) I

Personnel

Dept. Chief I:	SS Brig Gen, Gen. of Police STRECKENBACH (Also inspector of schools of the Security Police and the SD)
Adjutant	Regierungsoberinspektor SELBERG
Deputy Chief	Police Secretary HERR Police Secretary MEYER

Personnel matters of dept I
Internal activity
Plan for distribution of work—filing plan—statistics.
Need and distribution of space
Business requirements
Secret Registry
Chancellery—G—Chancellery reading room
Official activities of office employees.

GROUP I A
PERSONNEL

Group Chief	SS Colonel, Oberregierungsrat BRUNNER
Deputies:	

Section	Subject	Specialist	Participants
I A 1	General matters of personnel of members of the Security Police and the S D	SS Major RR MOHR	
I A 2	Personnel matters of the Secret State Police (GESTAPO)	SS Major RR TRENT	Dept. IV
I A 3	Personnel matters of Criminal Police	SS Major Reg.u.Krim. Rat SCHRAEPEL	Dept. V
I A 4	Personnel matters of the Security Service (SD)	SS Major BRAUNE	Dept. III and VI
I A 5	Party and SS personnel matters		
I A 6	Welfare	SS Lt. Col OPR. TRINKL	II C.

GROUP I B
EDUCATION, TRAINING AND SCHOOLING.

Group Chief:		SS Colonel SCHULZ
Deputy Chief:		SS Major Dr. SENDBERGER
I B 1	Ideological Education	SS Major Dr. ENGEL Deputy: SS Major ZEPP
I B 2	Successors	SS Major HOTZEL Deputy: Major THOMAS

I B 3	Forming of the curricula of schools	RR. SANDBERGER all offices concerned Deputy: Krim. Dir. ZIRPINS
I B 4	Other curricula	Reg.u.Krim. Rat RENNAU Offices concerned on each occasion

GROUP I C
PHYSICAL TRAINING

Group Chief: SS Colonel and Oberregierungsrat von DANIELS

I C 1	General matters concerning physical training
I C 2	Physical Education and military training.

GROUP I D
PENAL AFFAIRS

Group Chief: Vacant now (Handled by SS Brig. Gen. STRECKENBACH,
Deputy: SS Major HAENSCH

I D 1	Official Penal Matters	SS Major RR. SCHULZ
I D 2	SS disciplinary matters	SS Major RR. HAENSCH

Department II
Organization, Administration and Law

Department Chief II	SS Colonel, Colonel of Police Dr. NECKMANN
Adjutant	SS Captain Regierungsassessor Dr. FINNBERG

Administration Office II

Chief	at present vacant.
Deputy Chief	SS Lt.Col. Police Inspector TEMPELHAGEN

Personnel matters, department II
Internal activity
Plan of distribution of work—filing plan—statistics
Need and distribution of space
Business requirements
Secret Registry
Chancellery—G—Chancellery reading room
Official activity of office employees

MAIN OFFICE

Polizeirat POMMERENING — In charge of the business activity of the entire Main Office and of the official communications between the departments

(Also subordinated to the Chief of the Security Police and the SD)

1. Central handling of all incoming and outgoing matters, central card file, receiving and opening of mail, message centre.
2. Official activity of the entire building and official communications between the departments. Printing Office, Binding Office, Issue of official seal.

Building Commandant:

SS Colonel

1. Attitude and behavior of all persons, employed in the Reich Security Main Office (RSHA).
2. Security measures for the official buildings of the RSHA.
    - *a.* Direction and employment of the guard.
    - *b.* Military training of the guards.
    - *c.* Instruction on guard regulations.
    - *d.* Control of the official buildings and rooms of the guards of the identity cards and passes, of locks and vaults of visitors, workmen and charwomen.
    - *e.* Maintenance of the alarm card file.
3. Maintenance of cleanliness and order. Participation IIA
4. Raising of flags.
5. ARP, fire prevention.
6. Counter intelligence measures (Abwehr) in the RSHA (in cooperation with II A 4 and IV E)
7. Game room and canteen.

GROUP II A
Organization and Law.

Group Chief: At present vacant
Deputy Chief: SS Major, Oberregierungsrat Dr. BILFINGER

Section	Subject	Specialist	Participant
II A 1	Organization of the Security Police and of the SD.	SS Captain Reg. Assessor Dr. SCHWEDER	All offices concerned
II A 2	Legislation	SS Major RR. NEIFEIND	All offices concerned
II A 3	Justiciary matters; claims for indemnification	SS Major RR. SUHR	All offices concerned
II A 4	Reich defense matters	SS Major RR. RENKEN	All offices concerned
II A 5	Miscellaneous Determination of hostility toward people and state Confiscation of property of those, inimical to people and state, in Berlin Retraction of German citizenship	SS Major RR. RICHTER	All offices concerned

Group II B
Basic questions of the passport system and of the immigration police

Group Chief: Ministerialrat KRAUSE
Deputies:

Section	Subject	Specialist	Participant
II B 1	Passports	RR. Dr. HOFFMANN RR. Dr. BAUMANN	IV VI
II B 2	Passports II	RR. WEISTZ	IV V VI
II B 3	Identification and identity cards	RR. KELBLING	IV VI
II B 4	Basic questions for immigrant police and border security	ORR. KROENING	IV V VI

Group II C a
Budget and economy of the Security Police

Group Chief: SS Colonel
Ministerialrat Dr. SIEGERT

Deputies:

Section	Subject	Specialist	Partici-pants
II C 1	Budget and Salaries	SS Colonel Min. Rat Dr. SIEGERT	All offices concerned
II C 2	Welfare and material expenses	SS Major RR. KREKLOW	All offices concerned
II C 3	Billeting and prisoners	SS Major RR. Dr. BERGMANN	IV, V
II C 4	Economic Office	SS Major RR. MEIER	

Accounts of the Chief of the Security Police and of the SD.
Auditor's office of the Chief of the Security Police and of the SD.
Clothing accounts of the border police of the Secret State Police.

Group II C b
Budget and Economy of the Security Service (SD)

Group Chief: At present vacant
Deputies: SS Lt. Col BROCKE

Section	Subject	Specialist	Partici-pants
II C 7	Budget and salaries of the SD	SS Captain RADTKE	Departments III, VI
II C 8	Procurement, insurance, contracts real estate, construction, motor vehicles	SS Major SCHMIDT	Departments III, VI
II C 9	Auditing and examination	SS Lt. Col BROCKE	Departments III, VI
II C 10	Finances and accounts.	SS Lt. Col [?]	Departments III, VI

Group II D
Technical Matters.

Group Chief: SS Lt. Col. RAUFF
Deputies:

Section	Subject	Specialist	Participants
II D 1	Wireless, photography, films	SS Major GOTTSTEIN	II A 1
II D 2	Teletype and telephone	SS Major Pr. WALTER Assistant	II A 1
II D 3a	Motor vehicles of the Security Police	SS Captain Captain of Protective Police PRADEL, Assistant	II A 1 Dept. 1
II D 3b	Motor vehicles of the SD	SS Captain GAST SS Captain HEINRICH Assistant	II A 1
II D 4	Ordnance	SS Major Pr. LUTTER T.O.I. SCHELLIN Assistant	I C and V
II D 5	Aviation	SS Major and Major of Protective Police LEOPOLD	
II D 6	Management of the technical funds of the Security Police and of the SD.	PR. KEMPF Assistant	

Department III

GERMAN SPHERES OF LIFE

Department Chief: SS Colonel OHLENDORF
Adjutant:

Administrative Office III

Chief: SS Lt. Col. KLAUS
Deputy:

Matters of Personnel, Department I
Internal activity
Plan of distribution of work—filing plan—statistics
Need and distribution of space
Business requirements
Secret Registry
Chancellery—G—Chancellery reading room
Official activity of office employees

Group III A

Questions on the Legal Order and on the Structure of the Reich

Group Chief: SS Major Dr. GENGENBACH
Deputy: SS Captain Dr. J. BEYER

Section	Subject	Specialist	Participants
II A 1	General questions on the work "Spheres of Life"	SS Captain Dr. BEYER	All dep'ts concerned
III A 2	Legal matters	SS Captain RR. Dr. MALZ	All dep'ts concerned
III A 3	Constitution and administration including direction in all legislative matters in the following fields: State and administrative law (unless directed by II A 2); holiday law, Reich citizenship law, and citizenship matters, colonial administrative law. Also *participation* in all legislative matters, are handled under the direction of other sections of the RSHA	At present handled by the Group Chief	I D II A 2 III A 4 III C III D 5
III A 4	General national life	At present vacant	

Group III B
National Character (VOLKSTUM)

Group Chief: SS Lt. Col. Dr. EHLICH
Deputy Chief: SS Major, Regierungsrat Dr. MUELLER

directly subordinated to the Group Chief

a. Lectorate
b. Special questions and inspections

Section	Subject	Specialist	Participants
III B 1	Work on National Character (VOLKSTUM)	SS Captain RUMMITZSCH	Dep't IV and the sections of dep't III concerned
III B 2	Minorities	at present vacant	IV
III B 3	Race and national health	SS Captain SCHNEIDER	II A 2 III A 2
III B 4	Immigration and resettlement	SS Major RR Dr. MUELLER	III D IV
III B 5	Occupied territories	SS Major von LOEW ZU STEINFURTH	III A III C III D

Group III C
CULTURE

Group Chief: SS Major Dr. SPENGLER
Deputy Chief: SS Captain von KIELPINSKI

Section	Subject	Specialist	Participants
III C	Auxiliary section directly subordinated to the group chief, *Special questions* (including inspection)		III A 1
III C 1	Science	SS Captain Dr. TUROWSKI	III B III D
III C 2	Education and religious life	SS Captain SEIBERT	Concerned section of dep't III, IV & V.
III C 3	National culture and art	SS Captain Dr. ROESSNER	III A 4
III C 4	Press literature and radio	SS Captain von KIELPINSKI	IV B 4

Group III D
Economy

Group Chief
Deputy Chief: SS Major SEIBERT

Section	Subject	Specialist	Participants
III D	Auxiliary Sections, directly subordinated to the Group Chief *a.* Lectorate including economic press and periodicals, and literature *b.* Special questions and inspections Direction in all legislative matters of economic, commercial and labor law.		III A 2
III D 1	Food administration	at present vacant	
III D 2	Commerce, trade and transportation	SS Major SEIBERT	
III D 3	Finance, currency, banks and stock exchanges, insurances	SS Captain KROEGER	III A
III D 4	Industry and power plants	at present vacant	
III D 5	Labor and social matters	SS Major Dr. LEETSCH	III B and C

Department IV
Investigation and combatting of enemies

Department Chief: SS Brig. Gen. Brig. Gen. of Police MUELLER
Adjutant: SS 2nd Lt. DUCHSTEIN
Remark: Directly subordinated to the department chief:
IV (N) Information collection office
IV (P) Communications with foreign police forces
General border inspector: Department Chief IV
SS Brig. Gen. Brig. Gen. of Police MUELLER
Deputy: SS Colonel KRICHBAUM

Administrative office IV

Chief: at present vacant
Deputy: SS Captain, Polizeirat PIEPER
IV Cst *a* Personal matters dep't IV
Internal activity
Plan of distribution of work—filing plan—statistics
Need and distribution of space
Business requirements
Secret registry of dep't IV
Official activity of office employes
b Reporting
Announcements of incidents
c office prison (i. e. in the building)
permanent service
Identification service
Sign office (Zeichenstelle)

Group IV A

Group Chief: SS Lt. Col. Oberregierungsrat PANZINGER
Deputies:

Section	Subject	Specialist	Participant
IV A 1	Communism, Marxism, and associated organizations, wartime crimes, illegal hostile propaganda	SS Major KD. VOGT	
IV A 2	Defense against sabotage, combatting of sabotage political-police counter intelligence (Abwehr) commissioners, Political forgeries	SS Captain KK. KOPKOW	
IV A 3	Reaction, opposition, Legitimism, Liberalism, emigrant affairs and treachery	SS Major KD. LITZENBERG	
IV A 4	Protective service, report of attempted assassinations, supervisions, special missions, searching troops (Fahndungstruppe)	SS Major KD. SCHULZ	RS D

Group IV B

Group Chief: SS Major HARTL
Deputy: SS Major Regierungsrat ROTH

Section	Subject	Specialist	Partici-pants
IV B 1	Political Catholicism	SS Major RR ROTH	
IV B 2	Political Protestant sects	SS Major RR ROTH	
IV B 3	Other churches—Freemasonry	at present vacant	
IV B 4	Matters concerning Jews Matters concerning evacuations	SS Major EICHMANN	

Group IV C

Group Chief: SS Lt. Col. Oberregierungsrat Dr. RANG
Deputy: SS Major Regierungs- und Kriminalrat Dr. BERNDORFF

Section	Subject	Specialist	Participants
IV C 1	Evaluation, Main card file, administration of personnel files, information office, A-card file, Supervision of foreigners, Central Visa office.	PR. METZKE	II B
IV C 2	Matters of protective custody	SS Major Reg. u. Krim. Rat DR. BERNDORFF	
IV C 4	Matters of press and literature	SS Major RR Dr. JAHR	III Press specialist C.D.S.
IV C 4	Matters of party and its components, special cases	SS Major K. R. STAGE	

Group IV D

Group Chief: SS Lt. Col. Dr. WEINMANN
Deputy: SS Major Regierungsrat Dr. JONAK

Section	Subject	Specialist	Participants
IV D 1	Matters of the Protectorate Czechs in the Reich	SS Major RR Dr. JONAK	III
IV D 2	Matters of the General Gouvernement Poles in the Reich	RA THIEMANN	III. II B.
IV D 3	Confidential offices, foreigners hostile to the state	SS Captain RR. SCHROEDER	II B
IV D 4	Occupied territories: France, Luxembourg, Alsace and Lorraine, Belgium, Holland, Norway, Denmark	SS Major RR. BAETZ	III

Group IV E

Group Chief: SS Major Regierungsrat SCHELLENBERG
Deputy:

Section	Subject	Specialist	Participants
IV E 1	General counter-intelligence (Abwehr) matters, giving of opinion in matters of high treason and sedition and other matters in accordance to #5 of the directive on closed matters. Protection of plants and occupation of guarding, Rights of the plant protection and of the guard occupation.	SS Captain KK. LINDOW	II A
IV E 2	General economic matters, industrial espionage defense	RA SEBASTIAN	III
IV E 3	Counter-intelligence (Abwehr) West	SS Captain KR. Dr. FISCHER	
IV E 4	Counter-intelligence (Abwehr) North	KD. Dr. SCHAMBACHER	
IV E 5	Counter-intelligence (Abwehr) East	SS Major KD. KUBITZKY	
IV E 6	Counter-intelligence (Abwehr) South	SS Captain KR. Dr. SCHMITZ	

Department V

Combatting of Crime

Department Chief: SS Brig Gen. Brig. Gen. of Police NEBE
Adjutant: SS 2nd Lieutenant Kriminalkommisar ENGELMANN

Administrative Office V

Chief: SS Major, Regierungs- and Kriminalrat HASENJAEGER
Deputy:

Personnel matters, department V
Internal activity
Plan of distribution of work—filing plan—statistics
Need and distribution of space
Business requirements
Registry
Chancellery
Official activity of office employes

Group V A

Policy, in respect to crime, and its prevention.

Group Chief: SS Major Oberregierungsrat and Kriminalrat WERNER
Deputy: Regierungs- and Kriminalrat Dr. WACHTER

Section	Subject	Specialist	Participants
V A 1	Legal questions, international cooperation investigation of crime	RR. Dr. WAECHTER	II & III IV, VI, VII
V A 2	Prevention	SS Major * RR. Dr. RIESE	
V A 3	Female Criminal Police	KD WICKING	1

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* At the same time ordered to the colonial political department of the NSDAP and active in subject II A 1.

Group V B
Employment

Group Chief: Regierungs- and Kriminalrat GALZOW
Deputy: Regierungs- and Kriminalrat LOBBES

Section	Subject	Specialist	Partici-pants
V B 1	Capital crimes	RR. LOBBES	Dept I & IV
V B 2	Embezzlement	KD. RASSOW	
V B 3	Moral crimes	KD. NEUCK	III/IV

Group V C
Identification service and pursuit

Group Chief: Oberregierungsrat and Kriminalrat BERGER
Deputy: Kriminaldirektor Dr. BAUM

Section	Subject	Specialist	Partici-pants
V C 1	Reich identification service centre	SS Major KD. HUELLER	
V C 2	Pursuit	KD. Dr. BAUM	I

Group V D
Criminological Institute of the Security Police

Group Chief: SS Major Oberregierungs- and Kriminalrat Dr. Ing. habil. HESSE
Deputy: SS Captain, Kriminalrat Dr. Ing. SCHADE

Section	Subject	Specialist	Participants
V D 1	Identification of clues	SS Captain KR. Dr. SCHADE	
V D 2	Chemistry and Biology	SS 2nd Lt. Dr. Ing. WIDMANN	
V D 3	Examination of documents	KR. mag. chem. WITTLICH	

Department VI
Foreign [Ausland]

Department Chief: SS Brig. Gen., Brig. Gen. of Police JOST
Adjutant: SS 1st Lieutenant NYHOOGEN

Administrative Office VI

Chief: SS 1st Lt, Polizeirat SAUER
Deputy: SS Captain HORN

Personnel matters of department VI
Internal activity
Plan of distribution of work—filing plan—statistics
Need and distribution of space
Business requirements
Secret Registry
Chancellery—G—Chancellery—reading room.
Official activity of office employes.

Group VI A

General intelligence tasks abroad.

with seven sections

Group Chief: SS Lt Col. D. FILBERT
Deputy: SS Major Regierungsrat FINKE

The commissioner of department VI for the examination of all intelligence connections including the protection of the contact and courier routes and the employment of the intelligence facilities of the department VI at home and abroad.

Responsible: Group Chief VI A
Attached

Section	Subject	Specialist	Participants
	The commissioners of department VI for the examination and security of the tasks abroad, assigned to the SD (main) sections.		
	Commissioner I (West) for the SD (Main) sections: Münster, Aachen, Bielefeld, Dortmund, Cologne, Duesseldorf, Koblenz, Dassel, Frankfurt/M., Darmstadt, Neustadt Karlsruhe, Stuttgart	SS Lt Col BERNHARD	
	Commissioner II (North) for the SD (Main) Sections: Bremen, Braunschweig Lueneburg, Hamburg, Kiel, Schwerin, Stettin, Neustettin	SS Lt Col Dr. LEHMANN	

Section	Subject	Specialist	Participants
	Commissioner III (East) for the SD (Main) sections: Danzig, Koenigsberg, Allenstein, Tilsitt, Thorn, Posen, Hohensalze, Litzmannstadt, Breslau, Liegnitz, Oppeln, Kattowitz, Troppau, General Gouvernement	SS Major v. SALISCH	
	Commissioner IV (South) for the SD (Main) sections: Wien, Graz, Innsbruck, Klagenfurt, Linz, Salzburg, Muenchen, Augsburg, Bayreuth, Nurnberg, Prag	SS Major LEPPER	
	Commissioner V (Central) for the SD (Main) sections: Berlin, Potsdam, Frankfurt/O., Dresden, Halle, Leipzig, Chemnitz, Dessau, Weimar, Magdeburg, Reichenberg, Karlsbad.	SS Lt Col THIEMANN	

Group VI B

German and Italian sphere of influence in Europe, Africa and in the near East.

with 10 Sections

Group Chief: At present vacant
Deputy:

Group VI C
(East)
Russo-Japanese sphere of influence

with 11 sections

Group Chief: At present vacant.
Deputy:

Group VI D
(West)
Anglo-American sphere of influence

with 9 Sections

Group Chief:
Deputy:

Group VI E

(Department Chief IV has factual directive rights)
(Fachliches Weisungsrecht)

Investigation of ideological enemies abroad

with 6 Sections

Group Chief: SS Lt Col Dr. KNOCHEN
Deputy: SS Captain LOOSE

Group VI F
Technical aids of the intelligence service abroad

with 7 Sections

Group Chief: SS Lt Col. RAUFF
Deputy: SS Lt Col. FUHRMANN

Department VII
Ideological research and evaluation

Department Chief VII: SS Colonel Professor Dr. SIX
Adjutant: (Attached for press matters)
SS Major RADKE

Administrative Office VII

Chief: SS Captain BRAUNE
Deputy:

Personnel matters of department VII
Internal activity

Plan of distribution of work—filing plan—statistics
Need and distribution of space
Business requirements
Registry
Official activity of office employes

Group VII A
Procurement of material

(Library, press, information and liaison office)

Group Chief: SS Lt Col. Oberregierungsrat MYLIUS
Deputy:

Section	Subject	Specialist	Participants
VII A 1	Library	SS Captain Dr. BEYER	
VII A 2	Reporting, translating service, inspection and administration of press material	SS Captain MEHRINGER	
VII A 3	Information centre and liaison office	SS Captain BURMESTER	

Group VII B
Evaluation

Group Chief: At present vacant
Deputies:

Section	Subject	Specialist	Participants
VII B 1	Freemasonry and Jewry	vacant	
VII B 2	Political churches	SS Captain MURAWSKI	
VII B 3	Marxism	SS 2nd Lt MAHNKE	
VII B 4	Other opposing groups	SS 1st Lt MUEHLER	
VII B 5	Scientific, individual investigations of internal problems	SS Captain Dr. SCHICK	
VII B 6	Scientific, individual investigations of foreign problems	at present vacant	

Group VII C
Archive, museum, and scientific special tasks.

Group Chief: at present vacant
Deputies:

Section	Subject	Specialist	Participants
VII C 1	Archive	SS Captain DITTEL	
VII C 2	Museum	vacant	
VII C 3	Scientific special tasks	SS 1st Lt. Dr. LEVIN	

Directly subordinated to the Chief of the Security Police and of the SD.

I. *SS and police jurisdiction*
(SS Major, Regierungsrat Dr. HAENSCH)

II. *Staff leader of the inspector for physical training* with the Reich Fuehrer SS and chief of the German police and specialist for matters of the Chief of the security police and of the SD within the sport association of the SS.
(SS Colonel VON DANIELS)

III. *Special commissioner of the president of the international criminal police commission.*
(SS Colonel Dr. ZINDEL)

IV. *School of the Security police and of the SD*
(Inspector SS Brig Gen STRECKENBACH)

1. Leader school of the security Police in Berlin-Charlottenburg (SS Colonel SCHULTZ)
2. Security Police School, Fuerstenberg
(SS Colonel Dr. TRUMMLER)
3. Security Service (SD) school in Bernau
4. Sport school in Pretzsch
(SS Colonel VON DANIELS)
for the time being still school for border police under SS Colonel Dr. TRUMMLER.
5. Radio school of the security police and of the SD in castle Grueneberg near Nepomuk-Protectorate
(SS Major HOFFMANN)
6. Shooting school, Zella-Mehlis
(SS Colonel VON DANIELS)

TRANSLATION OF DOCUMENT L-188

Copy

Office West
The Head of the Department

Paris, August 8th 1944

Progress Report up to July 31st 1944

The Office West achieved the following results up to July 31st 1944: 69 619 Jewish homes were confiscated.

Dispatched to the several towns, including special orders, were: 69 512 Sets of furnishings, each a complete house.

The sum total of furniture and fittings dispatched required a loading capacity of: 1 079 373 cbm.

The following were required to provide this capacity incl. additional deliveries: 26 984 railroad cars, equivalent to 674 trains.

Further during the action we confiscated for the use of the Reich and handed over to the Department for Foreign Exchange [Devisenschutzkommando]: 11 695 516 RM Foreign currency and Securities.

The special purpose branches in France, Belgium and Holland furthermore dispatched: 2 191 352 kg Scrap Metal, Scrap Paper and textiles.

According to the report on Special Tasks [Sonderaufgaben] bombed-out persons accommodated in France, were presented with furniture and fittings valued at 1 516 186 RM

The above results were achieved by a staff of 30 female and 82 male

Officials and Employees of the Ministry for the Occupied Eastern Territories.

A True Copy (Signed) Deubelmann Employee

Office West Paris, 7.8.44

Schw/H

In carrying out the Fuehrer's orders for the M-action, the following results were achieved within the area of the Office West from invasion day (6th June 44) up to 1st August 44, by 30 female and 82 male officials and employees of the Ministry for the Occupied Eastern Territories.

1. Camoins (trucks) arrived (through confiscation of homes in Paris)	2006	
2. Railroad cars arrived from Branch Offices	52	
3. Railroad cars loaded and dispatched to Germany	372	
4. Receipts from sale of Scrap Material	28 124 91	RM
5. Boxes received	20 154	
6. Boxes handled, packed and dispatched	21 710	
Containing:		
China	199	boxes
Glass	208	boxes
Kitchen utensils	196	boxes
Clothing	117	boxes
Coat-hangers	120	boxes
Tailors' materials	45	boxes
Linen	128	boxes
Curtains, for windows	8	boxes
Curtains (heavy)	72	boxes

Mirrors	24 boxes
Clocks	73 boxes
Vases	45 boxes
Lamps	102 boxes
Brushes	29 boxes
Toys	99 boxes
Sports gear	42 boxes
Optical instruments	17 boxes
Electrical appliances	48 boxes
Tools	35 boxes
Gasmasks	78 boxes
Leather goods	253 boxes
Medical goods	41 boxes
Sanitary goods	119 boxes
Household goods	115 boxes
Scrap iron	1,503 boxes
Scrap paper	1,714 boxes
Books	482 boxes
Copper, aluminum	266 boxes
Bottles	730 boxes
Rags	240 pressed bales
Scraps of furs	123 boxes
Silver goods	33 boxes

7. Special work:

SS-Garrison-Administration Munich	27 cars
SS-Directorats Central Office	51 wagons
116th Armoured Regiment, Dortmund	2 wagons
116th Armoured Regiment, Dortmund	2 wagons
47th Inf. Div.	3 wagons
Obersturmfuehrer Tychsen, Wearer of the Oak Leaves Medal [Eichenlaubtraeger]	1 wagon
Cptn. Ninnemann	1 wagon
Cptn. Adamy	1 wagon
Sturmbannf. Brehmer, Wearer of Knights' Cross [Ritterkreuztraeger]	1 wagon
Obergruppenf. Lorenz, Berlin	3 wagons
Reich Postal Director, Berlin, Cuilleaume	1 wagon
Pianos, Messrs H. Langner, Breslau	3 wagons
Division: "Das Reich"	1 wagon

The cabinet-makers' workshop set up in the camp repaired and restored:

30 Sideboards
23 Dining Room Tables
56 Dining Room Chairs
43 Chests of Drawers
65 Beds
10 Dressing Tables
30 Bedside-Tables and Washing-Stands
12 Book Cases
24 Writing desks
25 Easy Chairs
25 Kitchen Cabinets

15 Kitchen Tables
35 Kitchen Chairs
1 Couch
4 Easy chairs were upholstered and recovered.

Report on the M-Action

The fight against Jews, Freemasons and the forces allied to them or otherwise ideologically opposed to us, has always been a most urgent task of National Socialism, especially during the War which has been forced upon us. In order to secure, within the areas occupied by Germany, all research material and the cultural effects of the groups indicated and to dispatch them to Germany, the Fuehrer at the suggestion of Reichsleiter Rosenberg was ordered that libraries, archives, lodges and other ideological and cultural institutions of all kinds be searched for appropriate material and that this be secured for the ideological instruction of the National Socialist Party.

The same order applies to cultural effects which were either in the possession of or were the property of Jews and were unclaimed or originated from sources not clearly ascertainable.

The Special Purpose Staff [Einsatzstab] of Reichsleiter Rosenberg was charged with the carrying out of this task. In addition to this seizure of property, at the suggestion of the Director West of the Special Purpose Staff it was proposed to the Reichsleiter that the furniture and other contents of the unguarded Jewish homes should also be secured and dispatched to the Minister for the Occupied Eastern Territories, for use in the occupied Eastern Territories. The Fuehrer agreed to Reichsleiter Rosenberg's proposal by means of the letter of the Reich Minister and Chief of the Reich Chancellery dated 31.12.51. The Special Purpose Staff of Reichsleiter Rosenberg was charged with carrying out this task in the occupied territories. The amount of work to be done in this section forced the Special Purpose Staff of Reichsleiter Rosenberg to return the mandate of 14.1.1942 to the Minister for the Occupied Eastern Territories so that this might be executed by him, owing to personnel difficulties. The Minister for the Occupied Eastern Territories thereupon organized the Office West on 25.3.42 in Paris with local branches in France, Belgium and Holland. The Director West of the Special Purpose Staff of Reichsleiter Rosenberg E.R.R. was appointed Chief of this Office. At first all the confiscated furniture and goods were dispatched to administrations in the Occupied Eastern Territories. Owing to the terror attacks on German cities, which then began and in the knowledge that bombed-out people of Germany ought to have preference over the Eastern people, Reich Minister and Reichsleiter Rosenberg obtained a new order from the Fuehrer according to which the furniture etc. obtained through the M.-Action was to be put at the disposal of bombed-out people within Germany.

DOCUMENT L-191

"The Exploitation of Foreign Labor by Germany."
[See International Labor Office Study]

COPY OF DOCUMENT L-198

No. 1184

AMERICAN CONSULATE GENERAL,
Berlin, Germany, March 14, 1933

SUBJECT: Molestation of American citizens domiciled or temporarily in Berlin, by persons wearing the uniform of a political party.

THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON

SIR:

I have the honor to inform the Department that since the last elections held in Germany on March 5, 1933, the Consulate General has been receiving visits from Americans domiciled or temporarily in Berlin who have made affidavits to the effect that they have been molested and maltreated in their homes or in the streets of this city by persons wearing the uniform of the National-Socialist party. A copy of the affidavits executed at this Consulate General and in one case at the Consulate General at Munich is transmitted herewith, but as a basis of the report to be made in this dispatch a brief resume of each case is given below:

Leon Jaffe, an American citizen, bearer of passport No. 217672, issued at Washington May 1, 1930, and residing at 914 Hoe Avenue, New York City, who is the manager of the Newbury Manufacturing Company of 68 Northampton Street, Boston, Massachusetts, and who is in Berlin on behalf of his firm, declares that on Saturday, March 4, about 1 a. m. he was returning home when at the corner of the Leibnitz and Bismarckstrasse he encountered six men dressed in the brown National-Socialist uniform who, without any provocation on his part, began to hurl epithets such as "verfluchter Jude" and struck him. He explained in English that he was an American and they allowed him to go without further molestation.

Henry H. Sattler, an American citizen, bearer of Departmental passport No. 495326, issued on May 13, 1932, is living with his father in Berlin who has an advertising business here at Helmstaedterstrasse 16 and in New York at 220 Fifth Avenue, declares that on the morning of March 4 about 1 a. m. he was coming home from a restaurant in the company of two Germans when they were attacked at the Barbarossa-Platz by about 15 men belonging to the National-Socialist party. They were struck without provocation, the police were called, and their statement was taken.

Nathaniel S. Wollf, an American citizen, residing in Rochester, N. Y., declares that on March 6, about 5 a. m. there came into his room five or six National-Socialists with drawn revolvers. After abusing him he was taken from his room in an automobile to another house where in a bare room his hands and feet were tied and he was subjected to various indignities including blows and physical injuries. His hands and feet were later untied by what was evidently a National-Socialist officer who apologized for the conduct of his associates and treated him with some kindness, but compelled him to sign a paper that he would leave Berlin the next evening. The officer then told his associates to release Mr. Wollf and left, but his associates instead of releasing Mr. Wollf took him in an automobile to the Grunewald on the outskirts of the city where they made as though they would tie him to a tree and beat him with straps, and after having thoroughly terrorized him left him without money, going off in their automobile.

Edwin Franden Dakin, of Hannibal, Missouri, bearer of Departmental passport No. 546684 issued August 8, 1932, declares that he is in Germany for study and that on the morning of March 6 at 1.30 o'clock approximately five men entered his apartment and after threatening him with pistols and inflicting physical injury evidently satisfied themselves that he was not the person they were looking for and left him without further molestation. He declares that several of the men who threatened him with revolvers were undoubtedly intoxicated.

Phillip Zuckerman, an American citizen, bearer of Departmental passport No. 74664, issued June 7, 1929, temporarily in Berlin, but whose place of business is in Leipzig, declares that on Tuesday, March 7, about 10.30 in the morning as he was leaving his office he was accosted on the Niederwallstrasse by two persons in National-Socialist uniform who suggested that he contribute to the funds of the "Hitler-Jugend" whereupon he offered one mark, but on being recognized as a Jew these persons demanded that he contribute at least twenty marks and threatened physical injury if he did not acquiesce.

Salomon Friedmann, included in the passport of his father, Joseph Salomon, who is the bearer of passport No. 2 issued at the Consulate General at Berlin on May 16, 1929, declares that on March 7 on the Potsdamer Platz he was attacked by three National-Socialists who called him a Jew and struck him with rubber clubs.

Max Schussler, an American citizen, bearer of Departmental passport No. 12877 issued April 13, 1929, temporarily residing in Berlin with his wife where he occupies an apartment, declares that he is in Berlin on business as he has considerable property here which he is looking after. He has among his properties a place occupied as a beer restaurant the occupant of which as soon as the present Hitler-Hugenberg Government came into power refused to continue to pay further rent. Mr. Schussler states that he took the usual steps legally to bring about the collection of the rent, and at 2 o'clock on the morning of March 7 his house was entered by two men in National-Socialist uniform and two others in civilian clothes who came into his bedroom and at the point of revolvers ordered him and his wife to dress. His wife was compelled to take off her nightgown and appear completely naked before the intruders. After they had dressed at the point of pistols and after continued threats he was compelled to sign several documents to the effect that he would not continue to proceed against his tenant either for eviction or for payment of rent. He was told that if he on the next day endeavored to change his decision he would be dead.

Louis Berman, an American citizen, bearer of Departmental passport No. 344925 issued February 28, 1931, declares that he is a medical student in the University of Berne and came to Berlin on March 8 for a brief holiday. That night while passing along the Liniestrasse at about 12.30 o'clock on his way to his lodgings he was accosted by four men in National-Socialist uniform who attacked him and in the scuffle he declares that his briefcase containing $285 and private papers disappeared.

Herman I. Roseman, an American citizen, bearer of Departmental passport No. 308868 issued August 27, 1930, declares that on March 10 about 4.30 in the afternoon he came out of the K.d.W. department store with his fiancee when a man in S.A. uniform stepped on his toe purposely which was the beginning of further molestation during which he was given various blows in the presence of policemen who did not interfere.

Julian Fuhs, bearer of passport No. 35 issued by the Consulate General at Berlin on January 6, 1931, states that he is a naturalized American citizen temporarily in Germany where he is writing a history of music while his wife, a German citizen, operates a restaurant in Nuernbergerstrasse 16. He declares that on Saturday, March 11, between 1 and 2 a. m. several S.A. men entered the restaurant of his wife and took him into a toilet room where he was physically assaulted. The police were called in and in this instance seem to have given certain protection to Mr. Fuhs and to his wife.

It is interesting to note that all of the above Americans are Jews with the exception of Mr. Dakin. The Consulate General is satisfied that in every one of these cases the attack upon the persons and homes of these Americans was unprovoked and brought about through the assumption that they were Jews. It is not believed that the attacks were made upon them as Americans or as foreigners, but on the ground that they were Jews.

The first cases reported to the Consulate General were those of Messrs. Wollf, Sattler and Dakin, and as the circumstances in the case of Mr. Wollf were particularly aggravated it was obvious that immediate and adequate steps would have to be taken in order to prevent further molestation of Americans. As the circumstances seemed to indicate that attacks on Jews were being made indiscriminately and upon those of other nationalities as well as Americans, it seemed advisable in the protection of the interests of the many Americans in Berlin of whom quite a number are Jews, that immediate steps should be taken to bring the case of Mr. Wollf to the attention of the highest authorities in the Reich. The ordinary procedure in these cases would have been for the Consulate General to take them up with the Police President of Berlin, but as the Police President has recently been appointed to his post by the National-Socialists and as Mr. Goering, one of the leaders of the National-Socialist movement, is also in charge of the Prussian Ministry of the Interior, there seemed to be much probability that if I reported the cases to the Police Praesidium and to the Prussian Ministry of the Interior they would be given routine investigation and that in the meantime attacks might continue. I had the very definite impression that in order to protect the interests of our people in Berlin the information with regard to these unjustified attacks on Americans should be brought to the highest authorities. I therefore on March 6 after discussing this with the Ambassador who was in agreement, addressed a letter to him transmitting copies of the affidavits in the cases of Messrs. Wollf, Sattler and Dakin. The Embassy immediately took up these cases with the Minister of Foreign Affairs and in a telegraphic report which it made to the Department it has already informed it that the cases were brought to the attention of the Chancellor, Mr. Hitler, and of the cabinet at a cabinet meeting by the Minister of Foreign Affairs.

On March 8 I again transmitted to the Embassy the case of Mr. Schussler.

On March 9 it seemed desirable to take these cases up directly with the Police President as well, and I therefore arranged to call on him that morning, accompanied by Mr. Geist of the staff. I left with the Police President a letter to which were appended the affidavits in the cases of Messrs. Wollf, Sattler, Dakin, Schussler, Jaffe and Friedmann. The Police President expressed appreciation that we had brought these cases to his attention, had furnished such complete data as that contained in the affidavits, expressed regret that the unprovoked attacks should have been made on American citizens, and declared that he would take immediate and appropriate steps to protect our citizens in Berlin from further attacks and molestation. I took the opportunity to express to the Police President the hope that as the fact these Americans had made affidavits would probably become known, he would see that these persons had adequate police protection as otherwise some of them might suffer serious injury from irresponsible and uncontrolled persons. The Police President indicated that he understood the circumstances and would take the necessary steps. I gathered the definite impression that the Police President was himself interested in seeing that Americans and other foreigners in Berlin were properly protected and that he would not fail to take energetic steps.

On March 9 I transmitted to the Embassy the affidavits of Mr. Friedmann and of Mr. Jaffe. On March 13 there were transmitted the affidavits of Messrs. Berman, Zuckerman, Roseman and Fuhs. On March 13 there were transmitted to the Police President the affidavits of Messrs. Berman, Zuckerman, Roseman and Fuhs, as well as a supplementary affidavit executed by Mr. Schussler, the original one having already been sent him.

These attacks on American citizens as well as the others which have been reported to the authorities on citizens of other nationalities, are undoubtedly the result of the propaganda against the Jews which has been a distinct part of the Hitler movement. In a speech made in the Sport-Palast by Mr. Goebbels, one of the principal lieutenants of the present Chancellor, Mr. Hitler, immediately before Mr. Hitler made has first speech as Chancellor, Mr. Goebbels indulged before an audience of some 12,000 people in unrestrained statements with regard to the Jewish newspapers and Jews generally as the enemies of Germany. I was present at this meeting and it was difficult to believe that a speech of this kind would be tolerated immediately preceding a speech by the responsible Chancellor of the German Government. Prior to the elections on March 5 the admirable police force of Germany was able to restrain the uniformed National-Socialists from excesses against the Jews and any breaches of the peace resulted in the arrest of the offenders. Discipline among the uniformed National-Socialists, however, was also apparently sufficiently strong to prevent them from these attacks on innocent, unarmed persons. The effect of the victory at the polls, however, on March 5 showed itself in the unrestrained actions which immediately followed, and it may be assumed I believe that the attacks which have been taking place against Americans and other Jews are due to this hatred which has been instilled into the young men of the National-Socialist movement.

That the representations of the Embassy had considerable effect is apparent from the fact that towards the middle of last week the Chancellor issued a statement addressed to National-Socialist adherents, that attacks on single persons must stop and that discipline and order among National-Socialist adherents must be maintained. He called upon the National-Socialists to see that these attacks on foreigners were stopped as they were being made by Communists masquerading in National-Socialist uniforms. He emphasized in his statement that these attacks on foreigners were creating a wrong impression concerning the National-Socialist movement in foreign countries.

The evening before Mr. Hitler made this statement in Berlin, Mr. Goering, however, had made a speech in Essen in which he declared that the police in Germany were not supported by the Government for the purpose of protecting Jewish stores. This statement was made in connection with the acts of uniformed National-Socialist adherents who interfered with the customers of Jewish department stores in Berlin and other cities in Germany and of chain stores, and in certain cases brought about their temporary closing.

While the statement of Mr. Hitler seemed to be quite reassuring to those who had the impression that the police had had their power taken away from them and that these excesses might be expected to continue on the part of uniformed National-Socialists, the speech of Mr. Goering was very disturbing. There was evidence that the police in Berlin and other cities whose discipline and effectiveness are well known had had their morale very much upset. In order to retain their places and not to be thrown among the unemployed, many of the police immediately before the elections and after joined the National-Socialist movement. Evidence which has come to the Consulate General not only through the affidavits herewith transmitted, but from other reliable sources, shows that the power had at least temporarily passed from the uniformed police to the so-called "Hilfs-Polizei" in National-Socialist uniform. This situation was exceedingly disturbing.

When I called upon the Police President on March 9 he was particularly anxious to know whether we had any evidence from Americans to the effect that they had called for the assistance of the police and that the police had failed to give it. He at that time gave the impression that the police retained their authority and that he would use all his influence, although a National-Socialist, to that end.

The further cases reported by the Embassy to the Foreign Office and by the Consulate General to the Police Praesidium, as already set forth in this dispatch, were undoubtedly also brought to the attention of the Chancellor and of the leaders of the National-Socialist movement, and on Sunday, March 12, Mr. Hitler again issued a statement over the radio addressed to the National-Socialist adherents in Germany in which he referred in even more emphatic terms than he had done earlier in the week to the necessity for the maintenance of discipline and order and of National-Socialists refraining from attacks of violence on individuals and from the performance of any acts which could bring the National-Socialist movement into discredit outside of the country. I can find no definite information pointing to the fact, but there is much reason to believe that during Saturday, March 11, strict orders were issued by the National-Socialist leaders to the district leaders throughout the country that attacks on stores, interference with persons going in and out of shops and attacks on individuals must cease and that disciplinary steps would be undertaken against National-Socialists who broke discipline. The quietness of Sunday and Monday, March 12 and 13, indicate that some such unmistakable orders must have been issued.

Vice Chancellor von Papen expressed in my hearing on Saturday evening a grave doubt as to whether the National-Socialist groups throughout the country were under control. It is a grave question, and one still open to a good deal of discussion, as to how much power is retained by the Chancellor and how much has passed to his more radical nominal subordinates, such as Goering, Goebbels and Roehm. Since the elections on March 5 some of the more important thinking people in various parts of Germany have allied themselves with the National-Socialist movement in the hope of tempering its radicalism by their action within rather than without the party. These are very useful to the National-Socialist party, and there are indications that in the last few days it has been brought strongly to the attention of the Chancellor and of leaders of the movement which he heads that these attacks on Jews, Communists and department stores, etc., are creating a situation not only in Germany, but outside of Germany, which is of real danger to the country as well as to the National-Socialist party.

The Consulate General has refrained from giving any information to the press with regard to these individual cases, but did on the occasion of my visit to the Police President state that I had been there to leave the affidavits of the Americans who had so far executed them. The press, however, has been able to get in touch with some of the individuals concerned, and European as well as I understand American newspapers have been carrying some of the stories of the Americans who have been molested. I am of the opinion that it was a good thing that some of these stories which are undoubtedly correct, receive publication in the press outside of Germany as their publication may have had something to do with the two declarations made to his party by Mr. Hitler, and the newspaper publicity undoubtedly strengthened the representations made by the Embassy to the Foreign Office and by this Consulate General to the Police President.

It is impossible to make any predictions as to what course events will take so far as the safety of lives and property is concerned. I believe, however, that for the present the excesses will have been largely curbed and that greater power again lies with the regular police. Whether the uncontrolled young men in National-Socialist uniform can be definitely and permanently restrained depends upon many factors which are still uncertain. Hatreds have been awakened and instilled over a period of years and it will be difficult for these young men to forget these hatreds unless new ideas displace them. Some occupation will have to be found for these men in uniform by the present Government or they will have to be taken out of the uniform. It is, however, interesting that the developments within the last 48 hours show a definite exercise of restraint and renewed pressure of authority.

The Consulate General is giving very careful attention to this problem of the protection of the Americans in Berlin and in Germany, and there is transmitted herewith a copy of a memorandum dated March 6, 1933, which was sent to the consular officers in the country. So far only one case has been reported of an attack on an American citizen outside of Berlin. It is the case of Mrs. Jean Klauber of Munich, and a copy of her affidavit is transmitted herewith. The Consulate General will not fail to keep the Department informed of any developments in this connection of interest.

Respectfully yours,
/s/ George S. Messersmith
/t/ George S. Messersmith
American Consul General.

310/800
GSM:HP

PARTIAL TRANSLATION OF DOCUMENT L-199

BERLINER TAGEBLATT, March 29, 1933

Boycott Manifesto of the National Socialist German Labor Party.

The Eleven Points

Point 9.

In tens of thousands of mass meetings, which shall reach to the smallest village, the action committees shall immediately put forward a demand for the introduction of a *numerous clauses* for Jews in all professions, corresponding to their proportion to the German population. In order to heighten the force of this action, the demand is to be restricted to three branches for the present: (a) to students attending the secondary schools and universities, (b) to the Medical profession, (c) to the legal profession.

* * * * * * *

Reasons for the Boycott Action

We see the distress and misery of our own compatriots and feel obligated not to leave anything undone that can prevent further damage to our own people. For, those responsible for these lies and vilifications are the Jews among us. From them emanates this campaign of hatred and lies against Germany. It is up to them to put the liars in the rest of the world in their proper place. Since they do not wish to do this, we shall see to it that this campaign of hate and lies against Germany shall not be directed against the innocent German people, but against the responsible instigators themselves. The boycott and atrocity agitation must not and will not hit the German people, but a thousand times more the Jews themselves.

TRANSLATION OF DOCUMENT L-201

BERLINER BOERSEN ZEITUNG, 12 April 1933, night issue

Disguised Criminals Murder Jewish Lawyer.
Horrible Murder in Chemnitz.

T. U. Chemnitz, 12th April.

On Monday night the Jewish Lawyer Dr. Weiner was visited at his home by several men, who wore S.A. bands and brown caps, and taken away by force in an automobile. Next morning Dr. Weiner was found on the Wiedenauer Flur at Mittweida shot to death by a bullet through his head.

Police headquarters report the following:

"Here is no doubt that Dr. Weiner fell victim to a savage crime which obviously had been committed by enemies of the national movement. Here is no trace of the perpetrators. The following has been found so far: On 10th of April at 22:30 hours three men dressed in SA uniform demanded admittance to the lawyer's home in Chemnitz on Stollberg Strasse. Presenting an identification they declared that the lawyer was arrested and requested him to follow them. The lawyer checked the identification personally and remarked upon a question of his wife that it were in order. The behavior of the men was so confident that the wife of the lawyer and two of his friends who were then present failed to check with the police station, as repeatedly suggested by the press, although they had an emergency telephone in their home by which they could have called the riot squad.

The fact is that no warrant for protective custody for the lawyer Weiner existed, and no warrant for his arrest was issued to the SA. Weiner was not even listed on the boycott roster for Jewish lawyers because he was a veteran of the last war in which he became an officer. An automobile has not been noticed in front of his home. But it is to be supposed that one was parked nearby. The culprits probably drove later to Wiederau. It is established that the shooting took place there in a sand hole. The fatal shot, obviously 3 shots have been fired, was fired at close range into the back of the head by a 6.35 Millimeter calibre pistol. It was no murder for robbery. Passport, driver's license, gold watch and more than 400 marks cash were found in the pockets of the dead.

Two of the culprits are between 25 and 28, and the third is between 28 and 30 years of age."

BERLINER TAGEBLATT, 13 April 1933, night issue

University professors given leave.
Preliminary measures against 16 academic teachers with leftist tendencies

The Prussian Minister of Education, Dr. Rust, yesterday initiated the political coordination of institutions of higher learning, already predicted by us, by giving indefinite leave at once to 16 professors who politically are leftists or moderates. It is not yet a case of dismissal, but it must be assumed that these preliminary measures will soon be changed into permanent orders according to the new regulations concerning officials [Beamtengesetz].

At present mainly lawyers and economists are affected by this order. In two cases, however, personalities were affected who are affiliated with religious socialism. Professor Dr. Emil Lederer, one of the best known German teachers of theoretical economy, was given leave from Berlin University; politically his sympathies lie with the social-democratic party. Professor M. J. Bonn, former rector of the Berlin Handelshochschule (School of Economics), the most important pupil of Lujo Brentano and, like he an advocate of political and economic liberalism, was given leave from the above institution. The professors Herman Heffer (formerly assistant professor of state law in Berlin), Mannheim, Horkheimer, Loewe and Hugo Sinzheimer (the well-known labor law expert and former social-democratic member of the Reichstag) as well as the philosopher Tillich, a religious socialist, were given leave from Frankfurt University. The following were also affected by this order: In Cologne, the teacher of state law, Kelsen, formerly of Vienna, in Bonn the Professors Loewenstein and Kantorowicz, in Breslau professor of law Cohn, around whom centered many disputes within the last few months, and his colleague Marck, in Halle, the Theologian professor Dr. Guenther Dehn (formerly a clergyman in Berlin) who likewise is known to have had many conflicts with the student body, in Kiel the lawyer Kantorowicz, in Koenigsberg the professor of economics Feiler, affiliated with the School of Economics there, formerly editor of the "Frankfurter Zeitung" and member of the German Economic Council.

Wolf Telegraphic Agency adds the following commentary. "It is understood that these are only preliminary measures, and many more leaves etc. can be expected as soon as the institutions of higher learning will have received detailed directives for carrying out the decree."

We already expressed our hope in yesterday's editorial concerning "Intellectual Gleichschaltung" that the regulations of the new law should be applied as little as possible to academic teachers.

We should like to emphasize again today that we would consider it an impoverisation of our academic life if men with a European reputation like M. J. Bonn should be permanently deprived of their professional activities.

COPY OF DOCUMENT L-202

Voluntary; political.

[Rubber Stamp]
ASSISTANT SECRETARY OF STATE
JAN. 4, 1939
MR. MESSERSMITH

ANTISEMITIC ONSLAUGHT IN GERMANY AS SEEN FROM LEIPZIG

From: /s/ David H. Buffum
David H. Buffum,
American Consul

Date of Preparation: November 21, 1938
Date of Forwarding: To be carried to Berlin by trusted messenger as soon as practicable.
Approved: Ralph C. Busser,
Ralph C. Busser,
American Consul General.

The following resume of the antisemitic onslaught in Germany so far as this consular district is concerned, constitutes a narration of Leipzig angles as to this flagitious attack upon a helpless minority that very probably has had no counterpart in the course of the civilized world. The macabre circumstances that form the subject matter of this report had a fittingly gruesome prelude in Leipzig a few hours before they occurred in the form of rites held on one of the principal squares of the city on the night of November 9, 1938 in commemoration of fallen martyrs to the Nazi cause prior to the political take-over in 1933. To such end apparently anything in the corpse category that could be remotely associated with Nazi martydom, had been exhumed. At least five year old remains of those who had been considered rowdyish violators of law and order at the time, had been placed in extravagant coffins; arranged around a colossal, flaming urn on the Altermarkt for purposes of display, and ultimately conveyed amid marching troops, flaring torches and funeral music to the "Ehrenhain", Leipzig's National Socialistic burial plot. For this propagandistic ceremony the entire market place had been surrounded with wooden lattice work about ten yards high. This was covered with white cloth to form the background for black swastikas at least five yards high and broad. Flame-spurting urns and gigantic banners completed a Wagnerian ensemble as to pomposity of stage setting; but it can not be truthfully reported that the ceremony aroused anything akin to awe among the crowds who witnessed it. Judging from a few very guardedly whispered comments, the populace was far more concerned over the wanton waste of materials in these days when textiles of any kind are exceedingly scarce and expensive, rather than being actuated by any particularly reverent emotions. On the other hand for obvious reasons, there were no open manifestations of disapproval. The populace was destined to be much more perturbed the following morning during the course of the most violent debacle the city had probably ever witnessed.

The shattering of shop windows, looting of stores and dwellings of Jews which began in the early hours of November 10, 1938, was hailed subsequently in the Nazi press as "a spontaneous wave of righteous indignation throughout Germany, as a result of the cowardly Jewish murder of Third Secretary von Rath in the German Embassy at Paris." So far as a very high percentage of the German populace is concerned, a state of popular indignation that would spontaneously lead to such excesses, can be considered as nonexistent. On the contrary, in viewing the ruins and attendant measures employed, all of the local crowds observed were obviously benumbed over what had happened and aghast over the unprecedented fury of Nazi acts that had been or were taking place with bewildering rapidity throughout their city. The whole lamentable affair was organized in such a sinister fashion, as to lend credence to the theory that the execution of it had involved studied preparation. It has been ascertained by this office that the plan of "spontaneous indignation" leaked out in Leipzig several hours before news of the death of Third Secretary von Rath had been broadcasted at 10 P.M. November 10, 1938. It is stated upon authority believed to be reliable, that most of the evening was employed in drawing up lists of fated victims. Several persons known to this office were aware at 9 P.M. on the evening of November 9, 1938 that the "spontaneous" outrage was scheduled for that night sometime after midnight and several of such persons interviewed, stayed up purposely in order to witness it.

At 3 a.m. November 10, 1938 was unleashed a barrage of Nazi ferocity as had had no equal hitherto in Germany, or very likely anywhere else in the world since savagery, if ever. Jewish dwellings were smashed into and contents demolished or looted. In one of the Jewish sections an eighteen year old boy was hurled from a three story window to land with both legs broken on a street littered with burning beds and other household furniture and effects from his family's and other apartments. This information was supplied by an attending physician. It is reported from another quarter that among domestic effects thrown out of a Jewish dwelling, a small dog descended four flights to a broken spine on a cluttered street. Although apparently centered in poor districts, the raid was not confined to the humble classes. One apartment of exceptionally refined occupants known to this office, was violently ransacked, presumably in a search for valuables that was not in vain, and one of the marauders thrust a cane through a priceless medieval painting portraying a biblical scene. Another apartment of the same category is known to have been turned upside down in the frenzied course of whatever the invaders were after. Reported loss of looting of cash, silver, jewelry, and otherwise easily convertible articles, have been frequent.

Jewish shop windows by the hundreds were systematically and wantonly smashed throughout the entire city at a loss estimated at several millions of marks. There are reports that substantial losses have been sustained on the famous Leipzig "Bruhl", as many of the shop windows at the time of the demolition were filled with costly furs that were seized before the windows could be boarded up. In proportion to the general destruction of real estate, however, losses of goods are felt to have been relatively small. The spectators who viewed the wreckage when daylight had arrived were mostly in such a bewildered mood, that there was no danger of impulsive acts, and the perpetrators probably were too busy in carrying out their schedule to take off a whole lot of time for personal profit. At all events, the main streets of the city were a positive litter of shattered plate glass. According to reliable testimony, the debacle was executed by S. S. men and Storm Troopers not in uniform, each group having been provided with hammers, axes, crowbars and incendiary bombs.

Three synagogues in Leipzig were fired simultaneously by incendiary bombs and all sacred objects and records desecrated or destroyed, in most instances hurled through the windows and burned in the streets. No attempts whatsoever were made to quench the fires, functions of the fire brigade having been confined to playing water on adjoining buildings. All of the synagogues were irreparably gutted by flames, and the walls of the two that are in the close proximity of the consulate are now being razed. The blackened frames have been centers of attraction during the past week of terror for eloquently silent and bewildered crowds. One of the largest clothing stores in the heart of the city was destroyed by flames from incendiary bombs, only the charred walls and gutted roof having been left standing. As was the case with the synagogues, no attempts on the part of the fire brigade were made to extinguish the fire, although apparently there was a certain amount of apprehension for adjacent property, for the walls of a coffee house next door were covered with asbestos and sprayed by the doughty firemen. It is extremely difficult to believe, but the owners of the clothing store were actually charged with setting the fire and on that basis were dragged from their beds at 6 A. M. and clapped into prison.

Tactics which closely approached the ghoulish took place at the Jewish cemetery where the temple was fired together with a building occupied by caretakers, tombstones uprooted and graves violated. Eye witnesses considered reliable report that ten corpses were left unburied at this cemetery for a week's time because all grave diggers and cemetery attendants had been arrested.

Ferocious as was the violation of property, the most hideous phase of the so-called "spontaneous" action, has been the wholesale arrest and transportation to concentration camps of male German Jews between the ages of sixteen and sixty, as well as Jewish men without citizenship. This has been taking place daily since the night of horror. This office has no way of accurately checking the numbers of such arrests, but there is very little question that they have gone into several thousands in Leipzig alone. Having demolished dwellings and hurled most of the moveable effects to the streets, the insatiably sadistic perpetrators threw many of the trembling inmates into a small stream that flows through the Zoological Park, commanding horrified spectators to spit at them, defile them with mud and jeer at their plight. The latter incident has been repeatedly corrobated by German witnesses who were nauseated in telling the tale. The slightest manifestation of sympathy evoked a positive fury on the part of the perpetrators, and the crowd was powerless to do anything but turn horror-stricken eyes from the scene of abuse, or leave the vicinity. These tactics were carried out the entire morning of November 10th without police intervention and they were applied to men, women and children.

There is much evidence of physical violence, including several deaths. At least half a dozen cases have been personally observed, victims with bloody, badly bruised faces having fled to this office, believing that as refugees their desire to emigrate could be expedited here. As a matter of fact this consulate has been a bedlam of humanity for the past ten days, most of these visitors being desperate women, as their husbands and sons had been taken off to concentration camps.

Similarly violent procedure was applied throughout this consular district, the amount of havoc wrought depending upon the number of Jewish establishments or persons involved. It is understood that in many of the smaller communities even more relentless methods were employed than was the case in the cities. Reports have been received from Weissenfels to the effect that the few Jewish families there are experiencing great difficulty in purchasing food. It is reported that three Aryan professors of the University of Jena have been arrested and taken off to concentration camps because they had voiced disapproval of this insidious drive against mankind.

Sources of information

Personal observation and interviews.

800
DHB/dhb

COPY OF DOCUMENT L–205

TELEGRAM RECEIVED

From London, Dated December 8, 1938
Rec'd 6:43 p.m.

Secretary of State,
Washington.
1414, December 8, 7 p.m.
PERSONAL FOR THE ACTING SECRETARY FROM RUBLEE.
My 1403, December 7, 3 p.m.

The representative of the German Embassy assured us that we would receive further explanation of the cancellation or postponement of the Brussels meeting in the course of yesterday. He said that this telegram was being deciphered and that undoubtedly he would have further details. However, late last evening he called merely to state that it was now understood that the meeting had had to be put off in view of the sudden illness of the principal negotiator on the German side. He regretted that he could tell us no more.

During the day we had a telephone call from Berenger's office in Paris. We were told that the matter of refugees had been raised by Bonnet in his conversation with von Ribbentrop. The result was very bad. Ribbentrop, when pressed, had said to Bonnet that the Jews in Germany without exception were pickpockets, murderers and thieves. The property they possessed had been acquired illegally. The German Government had therefore decided to assimilate them with the criminal elements of the population. The property which they had acquired illegally would be taken from them. They would be forced to live in districts frequented by the criminal classes. They would be under police observation like other criminals. They would be forced to report to the police as other criminals were obligated to do. The German Government could not help it if some of these criminals escaped to other countries which seemed so anxious to have them. It was not however willing for them to take the property which had resulted from their illegal operations with them. There was in fact nothing that it could or would do.

From our German contact we have information that the French raised the question of refugees not only in principle but concretely in respect to the financial aspects of the question. Berenger, while attending the officers meeting, gave a hint that his Government was preparing to take this line. We attempted to dissuade him from crossing wires with our negotiation and he assured us that he would do his best to keep the discussion of refugees on a general plane but he added Chamberlain had requested Daladier to take the matter up with Ribbentrop and so it would have to be taken up. Winterton denies this.

The British assured us this morning that they did not communicate to the French the details of the financial plan which they now tell us they have prepared but which they are holding back for the present. They say that they are as mystified as we are about the French move and do not know what specific financial proposals Bonnet may have raised with Ribbentrop. With regard to the visit of Schacht to London we have no conclusive information. The British will say no more than that the visit is imminent. The Germans say they are not at liberty to discuss the matter.

KENNEDY

HPD

Copy

Chief of the High Command of the Armed Forces.
No. 647/38 Top Secret.

Berlin, 19 April 1938.
3 copies
2nd copy

Top Secret for Commanders only.

DIRECTION OF WAR AS A PROBLEM OF ORGANIZATION.

Considered opinion of OKW on the memo submitted by C-in-C of the Army entitled "The Organization of the Direction of the Armed Forces" (C-in-C Army No. 93/38 of 7 Mar 38)

Contents

a. Organization of the direction of war
b. Organization of the direction of the Armed Forces
c. Direction of the Armed Forces in the leading military states.
Appendix: What is the war of the future?

Appendix

What is the War of the Future?

War in its total form is a forceful dispute with all means between two or more states.

Despite all attempts to outlaw it, war is still a law of nature which may be channeled but not eliminated. It serves the survival of the race and state of the assurance of its historical future.

This high moral purpose gives war its total character and its ethical justification.

It lifts war above the purely political act or merely a military duel for economic advantage.

Men and materials employed, gain and loss have risen to unprecedented levels. Not only damage, but annihilation threatens a people at the end of a lost war.

Thus the war of today becomes a state emergency and a battle for survival for everyone.

Since everyone stands to win or lose everything, everyone must risk all.

Thus universal military service expands to become total war mobilization for all.

This means the end of all purely personal activity for the duration of the war. All outward forms of public and private life are forced into the one main theme: "The achievement of victory."

The functions of the war leadership step into the place of individual or team achievements.

The war leadership is bound by a few basic laws; but the means at its disposal change and multiply.

Thus even the forms and methods of war leadership are subject to change.

The Air Force has joined the Army and Navy as the third service. Its far-reaching effect has greatly widened the earlier concept of the theatre of war.

The war will cause *immediate* suffering to an entire area and its population in accordance with that country's geopolitical situation.

War is conducted by all means; not only with weapons but also with the means of propaganda and economics.

It is directed against the enemy's armed forces, against the sources of his material strength and the spiritual strength of the people. The leitmotiv of war leadership must be: "Necessity is the mother of invention."

Nevertheless the most decisive factor for victory is even today conquest by force of arms. The needs of the armed forces for gaining *this* are paramount.

If the armed forces of an enemy are destroyed, then usually his other means of warfare also become weak or ineffective.

In Germany's position victory or defeat of the army will be most decisive for the winning or the loss of the war.

Victory or defeat of the army may however be decisively influenced by the success or failure of naval and air operations.

The longer the struggle for military victory endures and the longer the opposing military powers balance each other, the more decisive become the effects of psychological and economic warfare.

These (types of warfare) may lead to the decomposition of an enemy people or to the exhaustion of his sources of strength. In this way they may cause the collapse of an enemy nation which is not internally united or which is economically dependent on a foreign country. This collapse may thus come without a decisive victory of arms or armed victory may be made possible by these means.

The forms of beginning a war and the actual outbreak of hostilities will change with time.

The state, armed forces and the people will be brought to the highest possible level of war preparedness before the official mobilization has been released.

Surprise which must be the promise for quick initial success will often require hostilities to begin before mobilization has been completed or the armies are fully in position.

A declaration of war is no longer necessarily the first step at the start of a war.

The normal rules of war towards neutral nations may be considered to apply only on the basis of whether the operation of these rules will create greater advantages or disadvantages for the warring nations.

Only the singleness and unity of state, armed forces and people can assure success in war.

The primary and most difficult assignment of the national leadership will be to preserve this unity despite the colossal demands which war makes on all citizens. No home front sacrifice is too great if it gives the armed forces victory in the struggle of arms.

The armed forces however have their roots in the people. From them it gathers its material and spiritual strength.

Thus the forces, the home front and the people are woven into an inseparable whole by their reciprocal effect.

TRANSLATION OF DOCUMENT L–215

Summary of File of Dossier of Twenty-five persons arrested by Einsatzkommando der Sicherheitspolizei und des S. D. in Luxembourg for commitment to various Concentration Camps.

Name	*Charge*	*Place of Confinement*
	[Note: Each charge begins with the following printed words in the form. "According to the finding of the State Police he endangers by his attitude the existence and security of the People and the State."]	
Weffling	By working against the greater German Reich with the illegal Resistance Movement.	Natzweiler
Konen	In that he is strongly suspected of working to the detriment of the Reich.	Dachau
Krier	By disturbing the political set-up in Luxembourg through his activities in the LVL.	Dachau

Name	*Charge*	*Place of Confinement*
Wririch	By being suspected of having helped his brother get out of military service and thus paving the way for further activity injurious to Germany.	Dachau
Orth	By engaging in high treason as a member of the Luxembourg Volkslegion.	Dachau
Ney	By engaging in activities harmful to the great German Reich in the LVL.	Sachsenhausen
Weckering	By engaging in high treason in an organization directed against the stability of the Great German Reich.	Dachau
Wilheimy	By engaging in high treason in an organization directed against the stability of the Great German Reich.	Dachau
Neiertz	By engaging in high treason in Luxembourg resistance organization, "LVL".	Dachau
Wagener	By engaging in high treason as a member of the Luxembourg Volkslegion.	Dachau
Henricy	By associating with members of illegal resistance movements and making money for them, violating legal foreign exchange rates, by harming the interests of the Reich and being expected in the future to disobey officials administrative regulations and act as an enemy of the Reich.	Natzweiler
Krier	By being responsible for advanced sabotage of labor and causing fear because of his political and criminal past. Freedom would only further his antisocial urge.	Buchenwald

Name	*Charge*	*Place of Confinement*
Recken	By engaging in high treason in the service of the Luxemburg resistance movement "LVL".	Buchenwald
Reimer	By sabotaging mititary service.	Buchenwald
Simon	By engaging in high treason in the service of the Luxemburg resistance movement "LVL".	Buchenwald
Spranck	By arousing decided unrest and disturbing the set-ups in Luxemburg through advanced and spiteful assertions inimical to Germany as well as aspersions and threats against persons active in the National Socialist Movement. By also sabotaging the execution of vital economic measures through disinclination to work.	Buchenwald
Engel	By engaging in high treason for the "LVL".	Sachsenhausen
Monti	By being strongly suspected of aiding desertion.	Sachsenhausen
Junker	Because as a relative of a deserter he is expected to endanger the interests of the German Reich if allowed to go free.	Sachsenhausen
Jaeger	Because as a relative of a deserter he is expected to take advantage of every occasion to harm the German Reich.	Sachsenhausen
Godart	For engaging in activities harmful to the great German Reich in the Luxemburg Resistance Movement "LVL."	Sachsenhausen
Erpelding	For engaging in high treason for the "LVL."	Sachsenhausen
Scholer	For engaging in treason in the illegal resistance organization "LVL."	Sachsenhausen

L–215

Name	*Charge*	*Place of Confinement*
Ludwig	For being strongly suspected of aiding desertion.	Dachau

[For each person above named is a dossier in form similar to the following on the prisoner Weffling.]

Personal information of persons involved in political or espionage matters:

1. (a) Surname .... Weffling.................................
   (b) Christian name (underline name used)....Peter Wilhelm
2. Address (exact)............... Echtermach Vulportstr 1..............
   (a) Alias ....
   (b) Cover address ....
4. Occupation .... Post official ....
5. Year and date of birth..9/3/12..Place of birth..Grevenmacher
6. Schools attended ....
7. Family Status (Single, married, widowed, divorced)............
   a. Nationality and address of wife...........Anna nee Brimeyer (as above) ....
   b. Nationality and address of father..........Wilhelm Weffling, Plasterer ....
   c. Nationality and address of mother........Elise nee Kahn (as above) ....
   d. Nationality and address of other relatives..............Brother Willi Weffling .... Carpenter .... Grovenmacher, Weberstr 1 ....
8. Political views and/or functions ....

Personal Description

9. Height: estimated or measured (without footwear)....1.76 cm
10. Figure (strong, thickset, slim, weak)..............................
11. Carriage: (bent, especially straight, leaning to right or left, head to one side) ....
12. Walk: (shuffling, lively, unsteady, light, gracious, quiet, limping, large or small steps, shift-legged)........upright..............
13. Shape and colour of face (e.g. round, oval, square, health, pale........fresh complexion, lean...............................
14. Hair: (light, medium, dark-blond, brown, black, red, white, grey, greying) thickness and style)...............................
15. (colour, shape) ....
16. Eyes: (blue, grey, light, dark, black, brown) ....
17. Forehead (sloping, perpendicular, sloping forward, very high, very low, very wide, very narrow ....

18. Nose: bent in, straight, turning up, bent outward, bent at an angle, wavy, large, small, broad, thick ....
19. Ears: (round, oval, three-cornered, square, large, small protruding, flat) ....
20. Mouth: (large, small, thin, thick, or very thick-lipped)........ Medium ....
21. Teeth: (e.g. complete, having gaps, gold teeth) ....1..........
22. Languages: e.g. dialect, foreign language, low or high pitched voice, stutter, lisp..........German, French, Luxemburg dialect
23. Particular marks of identification: tattooing, scars, marks, bow legs, crippled, limping gait)..............scar 15 cm long over navel ....
24. Clothing (e.g. smart, sloppy, simple) ....
25. Fingerprints:—taken ....

(x) Underline where applicable.

(Three photographs, two side-face, one full face.)

Taken on: *15 2 1944*
by
Name: *Keszemack*
Rank: *Krim Sekr* (Criminal Secretary)

Give Outline of Political History

Einsatzkommando of the Security Police and Security Service in Luxemburg
Luxemburg, 15.6.44

To: Office of the Commandant of the Concentration Camp at NATZWEILER.

Subject: Peter Weffling, born 9/3/12 in Grevenmacher.
Richard Henricy, born 16/5/12 in Tetingen.
Reference: None.

The (female) prisoners in protective custody in the court prison in the penal institution at Trier are to be taken to the Concentration Camp at Natzweiler. The police administration penal institution at Trier is charged with the carrying out of the transport. Please inform me when the delivery has been effected.

By Order

RUNGE

Secret State Police
Secret State Police Bureau
IV C 2–H No. W 25970

Berlin SW 11, 23/2/44
Prinz-Albrecht-Strasse 8
At Present: Prague

Order for protective arrest

Christian Name and Surname:	Peter Weffling
Date and Place of birth:	9.3.12 in Grevenmacher.
Occupation:	Postoffice employee
Marital Status:	—
Nationality:	Luxemburg
Religion:	Catholic
Race (if non Aryan):	
Address:	Echternach, Vulport 1

Will be taken into protective custody

Reasons:

According to the finding of the State Police he endangers by his attitude the existence and security of the People and the State, in that he is treasonously active in an illegal Resistance Organization directed against the existence of the Greater German Reich.

Signed: Dr. KALTENBRUNNER
Witnessed: RUNGE
Kriminalrat.
(Criminal Councillor)

Einsatzkommando of the Security Police and the Security Service in Luxemburg.

Luxemburg, 15.6.44

3358—IV 6 b—832/43

To
The Concentration Camp
Natzweiler

1. Subject: Prisoner Grade II

   Peter Wilhelm Weffling, in security custody
   born on 9.3.12 in Grevenmacher
   Living at Echternacht, Vulpertstr, 1.
   Occupation: Postoffice official. Married.
   Nationality: Luxemburger.
   Jew: No. Recipient of annuity: No.
   Draft office is notified.
   Recruiting district command is notified.

Concentration Camp Natzweiler,
To
Einsatzkommando of the Security Police and SD in Luxemburg.

Subject: Peter Weffling, under arrest. Born 9.3.12
Reference: Your communication dated 15.6.44 No. —

The above mentioned prisoner received here:

By order

Concentration Camp Natzweiler,
To
RSHA—Ref. IV C 2—Berlin.

Subject: Prisoner, in protective custody, Peter Weffling
Reference: Your order dated 11.5.44

Enclosures: 1

Born 9.3.12
Prison No. W-25970

The above mentioned prisoner received here............................
Documents enclosed.

By order..

2. By decree of the RSHA—IVC 2 protective custody and at the same time transfer as a prisoner, grade II, to the Concentration Camp there is ordered against prisoner No. W 25970, General No. ——————————(collective protective custody regulation) mentioned above. The prisoner is completely fit for imprisonment, camp, and labor. Gav administrative office of the National Socialist Welfare Organization, and the Gav Women's organization leader has have been informed. Certified copy of order for protective custody and extract from the police proceedings referring to the prisoner particularly on the cause for the protective custody are enclosed.

By order,
RUNGE

Secret State Police
State Police Office for the District [Regierungsbezirk] of Duesseldorf

Duesseldorf, 20.11.1936

II 1 E 1 1510/36

Subject: Camouflage of Jewish businesses.

It is evident from numerous recent reports that apart from the alleged national-socialist coordination, an increasing number of attempts are being made by Jewish owners of firms to camouflage the real nature of their firms by the most devious of ways. It has therefore been ascertained again that Jews dispatch their goods, not under their own names, but under the names of Aryan employees who agree to this. Even the representatives of Jewish firms are making a practice, more and more, of saying that the goods they offer are from Aryan firms. Furthermore, forwarding agents frequently send Jewish goods to customers under their own names so that, in this way, the delivery firms should remain unknown to the general public.

The blame for the circumvention lies not only with the Jewish owners of firms and their assistants, but also with the Aryan customers themselves. The latter often require that the goods they want be sent under the name of a neutral sender, so that they can buy them without any trouble.

I request that these and similar attempts at camouflage be stopped whenever they occur, if necessary in conjunction with the Commercial Police [Gewerbepolizei] and the competent industrial offices. No larger actions (interference in industry) are, however, to be carried out; in cases of doubt, a report is to be made here at once.

To conclude, I request that a report be sent in, not later than 10 December 1936, on the observations made to date and on any measures that may have been taken.

Additional note for District Councillors [Landraete]: I enclose copies for the Police Administration authorities.

By order:

signed Hoehmann
Witnessed:
[signature illegible]
Police Officer Assistant

To:
The branch offices of the State Police,
The district councillors of the Bezirk,
The Chief burgomasters of Crefeld-Uerdingen,
Neuss and Viersen.

The District Councillor
No. 1098 P Kleve, 23 November 1936
Copy to Chief Burgomaster at Goch for his information,
a report to be made before 5. 12. 36 for
and on behalf of
[signature illegible]
Stamp: for the files of the Burgomaster as local police authority

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PARTIAL TRANSLATION OF DOCUMENT L–219

SECRET
ORGANIZATION PLAN
OF THE REICH MAIN SECURITY OFFICE
[RSHA-Reichssicherheitshauptamt]

1 October 1943

Chief of the Security Police and the SD
Obergruppenfuehrer General
of the Police
Dr. KALTENBRUNNER

1. Adjutant:
Sturmbannfuehrer
Dr. PLOETZ
Tel: PA 8 Ext 222
Post 12

2. Adjutant:
Hauptsturmfuehrer
WERTH
Tel: PA 8 Ext 222
Post 12

Special Adjutant:
Sturmbannfuehrer
SCHREIDLER
Tel: PS 8 Ext. 953
Post 617

Assigned directly under the Chief of the Security Police and SD

1. Head of Investigations:
SS Hauptsturmfuehrer and

Judge Dr. DILLERSBERGER
Tel: WI Ext 219

1st Assistant and Police jurisdiction
Taken care of by the
Head of Investigation.

2nd Assistant—Disciplinary punishment and offenses committed while acting in official capacity

SS Sturmbannfuehrer and
Legal Counsel
FENTZ
Tel: W 449
Post 449

II. *The Attaché Groups:*
SS Sturmbannfuehrer
Dr. PLOETZ
Tel: PZ 8 Ext 222
Post 12

III. *Office of the RSHA with the International Criminal Police Commission*
SS Sturmbannfuehrer—Legal
and Criminal Counsel
THOMAS
Tel: Klue. Ext 385
Post 12

IV. *Inspector of Security Police and SD Schools*
SS Brigadefuehrer and
Major General of Police—
SCHUTE

1. *Leader School of the Security Police in Berlin-Charlottesburg*
SS Obersturmbannfuehrer
HOTZEL (Acting Head)
Commander
Tel: 30 05 21

2. *Security Police School Furstenberg/Secke*
Commander
SS Oberfuehrer, Colonel of
Police, Dr. TRIMMLER
Tel: Furstenberg 286

3. *SD School in Bernau*
   Commander
   SS Sturmbannfuehrer NICKOL
   Tel: Bernau 351

4. *Reich School of the Security Police and SD in Prague*
   Commander
   SS Obersturmbannfuehrer Oberregierrungsund Kriminalrat—
   R. RENNAU (Acting in Charge)
   Tel: Prag F2 166

RAT I

Personnel Administration and Organization of the Security Police &SD

Division Chief I:
SS Brigadefuehrer—Major General of Police—SCHULZ
Tel: Wi Ext 292 and P A S
x F 56
Post 174

Adjutant:
SS Untersturmfuehrer MAYRER
Tel: Wi Ext 755
Post 174

Administration Office

Head:
At present unassigned

Deputy:
Obersturmfuehrer Police Director HERR
Tel: Wi Ext 395
Post 395

Personnel matters of Amt I.
- Internal Management
- Distribution of work—
  filing plan
- Statistics
- Office arrangement and space
- Supplies
- Secret Registry

Chancery
Secret Chancery
Library

Supervision of
employees

Section I—Organization

Head (Referent)
SS Sturmbannfuehrer Regierrungsrat WANNINGER
Tel: PA 8 Ext 755
Post 174

GENERAL ORGANIZATIONAL QUESTIONS OF THE COMBINED SECURITY POLICE AND SD

a Secret State Police (including Frontier Police)
b Criminal Police
c SI
d Police Attachés

ORGANIZATION OF THE SECURITY POLICE AND SD FOR SPECIAL EMPLOYMENT

Collaboration in all question of Police organizations.
Distribution of work of the RSHA
Filing system of the RSHA
Regulation of the use of the official files through the Secret Police and SD.
Filing system of the State Police (head) Stations, Criminal Police (head) Stations and SD (head) Stations.
Evaluation of Inspectors Reports. Editing of publications of orders, collection of decrees.

I San. (Director of the Medical Service of the Chief of the Security Police and S.D.)

Director of the Medical Service:
SS-Obersturmbannfuehrer
Dr. KIRCHERT
Tel: PA 9 Ext 278
Post 278
At the moment: Dresden A1, Devrient St 2, Tel 24866, Ext 89

Deputy:
SS-Obersturmfuehrer
Dr. FRICK
Tel: PA 9 Ext 439
Post 439

Medical Office:
Tel: PA 8 Ext 309

Contract Physician
SS-Obersturmfuehrer
Dr. FRICK

GROUP I A
Personnel

Group Director:

SS-Obersturmbannfuehrer Oberregierungerat
von FELDE
Tel: PA 9 Ext 200
Post 200

Section	Function	Head
I A 1	General personnel matters of members of Secret Police and SD	SS-O'Stubaf. ORR Dr. TRAUMANN
I A 2	Personnel matters of the Gestapo	SS-Stubaf. RR. KRACK
I A 3	Personnel matters of the Criminal Police	SS-O'Stubaf. RUKD SCHRAEPEL
I A 4	Personnel matters of the Security Service	SS-Stubaf. BRAUNE
I A 5	Personnel matters of the Party and SS	SS-O'Stubaf. SCHWINGE (acting)
I A 6	Welfare	SS-O'Stubaf. ORR. TRINKL

GROUP I B
Replacements, Education, Training

GROUP HEAD:

SS-Obersturmbannfuehrer HOTZEL
Tel: Sch. Ext 22
Post 22

Deputy:

SS-Obersturmbannfuehrer Oberregierungs und kriminalrat
Dr. RENNAU
Tel: Sch. Ext 22
Post 22

Section	Function	Head
I B 1	Education in regard to Political questions, "world view" and SS ideology	SS-Stubaf. Dr. ENGEL
I B 2	Replacements	SS-O'Stubaf. OrukR Dr. RENNAU
I B 3	Education, advanced and special training	SS-Stubaf. OrukR. Dr. ZIRPINS
I B 4	Physical education and military training	SS-O'Stuf. FOLKERTS
I B 5	Directives on careers, examinations, supervision of funds, General group matters, personnel matters and registry of Group I B.	SS-Stubaf. AR. CINDEL

AMT II

Administration and Finance

Department Chief:

SS-Standardtenfuehrer PRIETZEL
Tel: PA 8 Ext 709
Post 453

Administrative Office II

Director:

SS-Sturmbannfuehrer Amtrat GRAETZ
Tel: PA 8 Ext 863
Post 453
Matters of Personnel of Amt II.
Internal management
Plan of distribution of work—Filing system—statistics.
Needs and distribution of space
Supplies
Secret Registry
Chancery—Secret Chancery—Library
Supervision of office employees

Main Office

Director:

SS-Sturmbannfuehrer Amtsrat POMMERENING
Tel: PA 8 Ext 215
Post 215

Deputy:

SS-Hauptsturmfuehrer WEBER
Tel: PA 9 Ext 262
Post 262

a. Reception and opening of mail, distribution, office, central handling of in and outgoing matters, dispatching and courier office for RSHA and RFSS.
b. Supervision of work of RSHA.
c. Central card file and central files maintenance of the SD.
d. Registry.

House Commandant

Director:

At present unassigned.
The work will be supervised through:
SS-Hauptsturmfuehrer HOLTMANN
Tel: WI Ext 254
Post 254
Guard and Headquarters Company—SS Hauptsturmfuehrer HOLTMANN
Security of official buildings
ARP — SS-Hauptsturmfuehrer Polizeioberinspektor — BALLNUS
Tel: PA 8 Ext 873
Post 548

GROUP II A

Housing, Finance and Accounts

Group Director:

SS-Obersturmbannfuehrer Oberregierungsrat KREELOW
Tel: PA 8 Ext 225
Post 15

Section	Function	Head
II A 1	Housing of the Sipo, currency, etc.	Assistant: SS-H'Stuf. ROI. MULLER SS-H'Stuf. ROI. PFEILER
II A 2	Pay, Social Security, travel expenses, etc. of the Sipo.	Hilfaraferent: AR TER ORG
II A 3	Allowance and accounting office of the RSHA, Administration and allocating of accommodation.	SS-Stubaf. RR. MEIER
II A 4	Housing Pay and Accounts of the SD.	SS-Staf. MEELDOLLER (directly under the chief of the Amt)

Cashier's office of the RSHA (Sipo)

Director: Amtsrat LUDER
Tel: PA 2 Ext 208
Post 8

Accounting Office of the RSHA (Sipo)

Director: Amtsrat HEIEMHOLLER
Tel: PA 8 Ext. 141
Post 451

GROUP II B

Economic matters, prison matters, Judicial matters, etc.

Group Director:

At present unassigned
Work concerning Sections II B 1-3 will be supervised through:
SS-Obersturmbannfuehrer Oberregierungsrat Dr. BERGMANN
Tel: PA 8 Ext 284
Post 149

Section	Function	Head
II B 1	Billeting, raw materials, confiscated property, etc.	SS-O'Stubaf. ORR Dr. BERGMANN
II B 2	Clothing, office requirements etc.	Hilfsref: AR. RIEVERS
II B 3	Prison matters	SS-O'Stubaf. ORR, Dr. BERGMANN
II B 4	Judicial matters, etc.	SS-O'Stubaf. ORR, Dr. KAUPMANN

GROUP II C
Technical Matters

Group Director:

SS-Obersturmbannfuehrer Oberregierrungsrat HAFKE
Tel: Bu Ext 981
Post 32

Directly under the Group Director:

Liaison Office to the Luftwaffe
SS-Obersturmbannfuehrer Oberstleutnant of the SIPO LEOPOLD
Tel: PA 8 Ext 608
Post 75

Section	Function	Head
II C 1	W/T Photography and films, criminalogical apparatus	SS-Stubaf. MEHLSTAUBL
II C 2	Telephone and teleprinter communications	SS-Stubaf. AR. WALTER
II C 3	Motor Transport	SS-Stubaf. Maj. d. Sch. PRADEL
II C 4	Ordnance	SS-Stubaf. AR LUTTER
II C 5	Supply	At present unassigned

AMT III

Spheres of German life

Chief of Amt III:

SS-Brigadefuehrer, Major General of Police—OHLENDORF
Tel: Wi Ext 244
Post 244

Pers. Referent:

SS-Hauptsturmfuehrer CALLSEN
Tel: Wi Ext 244
Post 244

Administrative Office III

Director:

SS-Hauptsturmfuehrer SCHAAK
Tel: Wi Ext 317
Post 317
Personnel matters of Amt III
Internal Management
Distribution of work—filing system—statistics
Needs and distribution of space
Supplies
Secret Registry
Chancery—Secret Chancery—Library
Supervision of office employees

GROUP III A

Questions of Legal Order and Structure of the Reich

Group Director:

SS-Obersturmbannfuehrer Dr. GENGENBACH
Tel: Wi Ext 228
Post 228

Deputy:

SS-Obersturmbannfuehrer Oberregierungsrat HEIFEAND
Tel: Ext 760
Post 118

Section	Function	Head
III A 1	General questions of work on spheres of German life.	SS-Stubaf. SEPP
III A 2	Law	SS-Stubaf. Dr. MALZ
III A 3	*Constitution and administration* including the collaboration in all matters of legislation (insofar as III A 5 is not responsible)	SS-Stubaf. REINHOLZ
III A 4	National Life in General	SS-U'Stuf. Dr. HONGEN
III A 5	General questions of Police Law, Laws of Police action, Laws of Police Constitution, Special Laws of a Police nature and technical questions of legislation.	SS-O'Stubaf. ORR NEIFEIND

GROUP III B

Nationality [Volkstum]

Group Director:

SS-Standardtenfuehrer Dr. EHLICH
Tel: PA 8 Ext 380
Post 422

Deputy:

SS-Obersturmbannfuehrer von Loew zu STEINFURTH
Tel: Wi Ext 217
Post 217

Section	Function	Head
	Directly under the Group Director (a) Lectorate (Research Library) (b) Special questions and review of material	SS-O'Stuf. STORZ
III B 1	Nationality questions	SS-Stubaf. Dr. STRICKNER
III B 2	Minorities	Hilfareferent: SS-H'Stuf. HIRNICH
III B 3	Race and health of the people (Volksgesundheit)	At present supervised by the Group Director
III B 4	Citizenship and naturalization ..	SS-Stubaf. v. RAYMIN
III B 5	Occupied territories	SS-O'Stubaf. v. Loew zu STEINFURTH

GROUP III C

KULTUR

Group Director:

SS-Obersturmbannfuehrer Dr. SPENGLER
Tel: PA 8, Ext 206
Post 6F2

Deputy:

SS-Sturmbannfuehrer von KIELPINSKY
Tel: PA 8, Ext 692
Post 475

Section	Function	Head	Telephone Central	Telephone Ext.	Post
III C a	Auxiliary Section directly under the Group Director: Special Questions 2 (including review of material sachinspektion)	Hilfsref. SS-Stubaf Hirche	PA 8	510	150
III C 1	Science	SS-Stubaf. Dr. Turowski	PA 8	236	432
III C 2	Education and Religious Life	SS-Stubaf. Dr. Bohmer	PA 8	670	449
III C 3	Folk Culture and Art	SS-Stubaf. Dr. Rossner	PA 8	746	610
III C 4	Press, literature, Radio, Office for Evaluation of Material	SS-Stubaf. v. Kielpinski	PA 8	692	475

GROUP III D
ECONOMICS

Group Director:
SS-Obersturmbannfuehrer SEIBERT
Tel: WI, Ext 261
Post 261
Deputy:
SS-Sturmbannfuehrer MAY
Tel: WI, Ext 396
Post 396

Section	Function	Head	Telephone Central	Telephone Ext.	Post
III D a	Auxiliary section directly under the Group Director: Reading Office (Lectorate) including economics, press, magazines and literature	Directly under the Group Director			
III D b	Colonial Economics	Unassigned			
III D S	Special questions and review of materials machine inspection Written collaboration in questions of economics, commercial and labor law	SS-Stubaf. May	Wi	386	386
III D West ...	Western occupied regions	SS-Stubaf. Dr. Zehlein	Wi	329	329
III Ost	Eastern occupied	SS-Stubaf. Hanisch	PA 8	798	510
III D 1	Food economy	SS-Stubaf. Togtmeyer	Wi	349	349
III D 2	Commerce, Handcraft and Transport	SS-Stubaf. Buchheim	PA 8	396	139
III D 3	Finance, Currency, Banks and Exchanges, Insurance	SS-H'Stuf. v. Reden	Wi	458	458
III D 4	Industry and Power	SS-O'Stuf. Dr. Tiedt (acting)	Wi	388	388
III D 5	Labor and Social Questions	SS-O'Stubaf. Dr. Loetsch	Wi	278	278

AMT IV

Investigation and Combatting of Opponents

Chief of the Amt:

SS-Gruppenfuehrer Generalleutnant of Police MUELLER
Tel: PA 8, Ext. 336, Post 736

Adjutant:

SS-Obersturmfuehrer BUCHSTEIN
Tel: PA 8, Ext. 336, Post 736

Note:

Directly under the Chief of the Amt:
IV N—Information Collection Office

General Frontier Inspector:

Chief of Amt IV
SS-Gruppenfuehrer Generalleutnant of Police MUELLER

Deputy:

At present unassigned
Attended to through SS-Obersturmbannfuehrer Oberregierungsrat HUPPENKOTHEN
Tel: PA 8, Ext. 317, Post 55

ADMINISTRATIVE OFFICE IV

Director:

SS-Sturmbannfuehrer Amtsrat PIEPER
Tel: PA 8, Ext. 244, Post 37

a. Personnel matters of Amt IV
Internal activity
Plan of distribution of work—filing system—statistics
Needs and distribution of space
Office requirements
Secret registry of Amt IV
Official activities of office employees

b. Reporting
Announcement of incidents—card file

c. House arrest [Housgefangnis]
Permanent service [Dauerdienst]
Identification service signal office [Zeichenstelle]

GROUP IV A

Opponents, Sabotage and Protective Service

Group Director:

SS-Standardtenfuehrer Regierungsdirekter PANZINGER
Tel: PA 8, Ext. 719, Post 527

Section	Function	Head	Telephone Central	Telephone Ext.	Post
IV A 1	Communism, Marxism and associated organizations, war crimes, illegal and enemy propaganda	SS-Stubaf. KD. Lindow	PA 8	318	54
IV A 2	Defense against sabotage, combatting of sabotage, political falsification	SS-H'Stuf KR. Kopkow	PA 8	339	69
IV A 3	Reaction, opposition, legitimism, liberalism, matters of malicious opposition (insofar as not under IV A 1)	SS-Stubaf. RuKR. Litzenberg	PA 8	237	33
IV A 4	Protective service, reports of attempted assassinations, guarding, special jobs, pursuit troop	SS-Stubaf. RuKR. Franz Schulz	PA 8	120	164

GROUP IV B

Political, Churches, Sects and Jews

Group Director:

At present unassigned

Deputy:

SS-Sturmbannfuehrer Regierungsrat ROTH
Tel: No. Ext 21, Post 21

Section	Function	Head	Telephone Central	Telephone Ext.	Post
IV B 1	Political Catholicism	SS-Stubaf. RR. Roth	Me	21	21
IV B 2	Political Protestantism Sects	SS-Stubaf. RR. Hahnenbruch	Me	20	
IV B 3	Other churches, Freemasonry	SS-O'Stuf. Wandesleben	Me	27	27
IV B 4	Jewish affairs, matters of evacuation, confiscation of means of suppressing enemies of the people and State, dispossession of rights of German citizenship	SS-O'Stubaf Eichmann	Eu	50	50

GROUP IV C

Individual Card Files, Administration of Individual Files, Protective Custody, Press, and Party.

Group Director:

At present unassigned

Deputy:

SS-Obersturmbannfuehrer Oberregierungs-und-kriminalrat Dr. BERNDORFF

Tel: Wr, Ext. 4

Section	Function	Head	Telephone Central	Telephone Ext.	Post
IV C 1	Evaluation, Main Card Index, Administration of Individual Files, Information office, Supervision of Foreigners	SS-H'Stuf. PR. Witzel	PA 8	365	534
IV C 2	Matters of Protective Custody	SS-O'Stubaf. ORukR. Dr. Berndorff	Wr	4	
IV C 3	Matters of the Press and Literature	At present unassigned			
IV C 4	Matters of the Party and its Formations, Special Cases	SS-Stubaf. KD Stage	PA 8	357	9

GROUP IV D

Regions under Greater German Influence

Group Director:

SS-Standardtenfuehrer Regierungsdirektor Dr. RANG
Tel: PA 8, Ext. 275, Post 76

Deputy:

At present unassigned

Section	Function	Head	Telephone Central	Telephone Ext.	Post
IV D (ausl. arb.)	Foreign Workers .	Attended to through the Group Director			
IV D 1	Matters of the Protectorate Czechs in the Reich, Slovakia, Serbia, Croatia and the remaining regions of the former Jugoslavia Greece	SS-Stubaf. RR. Dr. Lettow	Hu		
IV D 2	Matters of the General Government, Poles in the Reich	SS-Stubaf. RR. Thomsen	Ku		259251
IV D 3	Confidential offices foreigners hostile to the State, Emigrants	SS-Stubaf. RR. Wolff	PA 8	331	58
IV D 4	Occupied Territories, France, Belgium, Holland, Norway, Denmark	SS-Stubaf. RR. Dr. Honer	PA 8		
IV D 5	Occupied Eastern Territories	SS-H'Stuf. RR. Thismann	PA 8	611	113

GROUP IV E

Security

Group Director:

SS-Obersturmbannfuehrer Oberregierungsrat
HUPPENKOTHEN
Tel: PA 8, Ext. 317, Post 55

Section	Function	Head	Telephone		Post
			Central	Ext.	
IV E 1 ……	General security matters, Supply of legal opinions in matters of high and State treason and other matters in accordance with section 5 of the Directive on secret matters; Security Officers.	SS-Stubaf. ORR.	PA 8	328	59
IV E 2 ……	General economic matters defense against economic espionage, Protection of works and those engaged in guarding, laws concerning those engaged in protection of works and guarding, in charge of Political-Police Security	SS-Stubaf. RR Quetting	Lu	80	
IV E 3 ……	Abwehr [Security] West	SS-Stubaf. KD Dr. Schafer	PA 8	256	42
IV E 4 …..	Security North	SS H'Stuf. KR. CL***s	PA 8	252	39
IV E 5 …..	Security East	SS-H'Stuf. KR. Hausler	PA 8	235	87
IV E 6 …..	Security south	KR Rauch	PA 8	323	78

GROUP IV F

Passport Matters and Alien Police

Group Director:
Ministerialrat KRAUSE
Tel: PA 8, Ext. 606, Post 460

Deputy:
SS-Obersturmbannfuehrer Oberregierungsrat KRONING
Tel: PA 8, Ext. 614, Post 198

Section	Function	Head	Telephone Central	Telephone Ext.	Post
IV F 1	Frontier Police	SS-Stubaf. RuKrR Opitz	PA 8	387	153
IV F 2	Passport Matters	SS-Stubaf. RR. Dr. Baumann	PA 8	231	21
IV F 3	Identification and Identity Cards	SS-Stubaf. RR Kelbling	PA 8	541	425
IV F 4	Alien Police and basic questions concerning frontiers	SS-O'Stubaf. ORR. Kroning	PA 8	614	198
IV F 5	Central Visa Office	SS-H'Stuf. PR Jarosch	PR(?)	**31**	31

AMT V

COMBATTING OF CRIME

Chief of the AMT:
SS-Gruppenfuehrer Generalleutnant of the Police
NEBE
Tel: WM. Ext. 241, Post 241

Adjutant:
SS-Obersturmfuehrer Kriminalkommissar
ENGELMANN
Tel: WM. Ext. 222, Post 222

ADMINISTRATIVE OFFICE V

Director:
SS-Sturmbannfuehrer Amtsrat KANT
Tel. WM, Ext. 223

Deputy:
Matters of Personnel, Amt V
Internal Activity
Plan of distribution of work—
Filing plan—Statistics
Needs and distribution of space
Business requirements
Registry
Chancery
Official activity of office employees

GROUP V A

Criminal Police Work and Prevention

Group Director:
SS-Standartenfuehrer Oberst der Polizei
WERMER
Tel: WM, Ext. 236, Post 236

Deputy:
SS-Sturmbannfuehrer Regierungsrat
Dr. MENKE
Tel: WM, Ext. 227, Post 227

Section	Function	Head	Telephone		
			Central	Ext.	Post
V A 1	Legal question, international cooperation and criminal investigation	SS-Stubaf. RR Dr. Menke	WM	227	227
V A 2	Prevention	SS-Stubaf. RuKr.Rat Hasenjaeger		560523/24	
V A 3	Female Criminal Police	RuKr. Ratin Wieking		560523/24	
V A 4	Questions and Police Reporting and Registration				

L-219

GROUP V B

Executive Action (Einsatz)

Group Director:

SS-Sturmbannfuehrer Oberregierungs-und-Kriminalrat LOBBES
Tel: WM, Ext. 311, Post 311

Deputy:

SS-Sturmbannfuehrer Regierungs-und-Kriminalrat CLASS
Tel: WM, Ext. 312

Section	Function	Head	Telephone		Post
			Cen-	Ext.	
V B 1	Capital Crimes	SS-Stubaf. RuKr. Rat Class	WM	312	
V B 2	Deception	SS-H'Stuf. KR. Schulz	AM	313	313
V B 3	Sex Crimes	D. Nauck	WM	334	334

GROUP V C

Search of Criminals, Police Dogs, Dissemination of Information

Group Director:

Regierungs und Kriminalrat Dr. Schulze
Tel: WM, Ext. 351

Deputy:

SS-Sturmbannfuehrer Kriminalrat AMEND
Tel. WM, Ext. 234, Post 234

Section	Function	Head	Telephone Central	Ext.	Post
V C 1	Central Searching Office	SS-Stubaf. Kr. Amend	WM	234	234
V C 2	Methods of Searching	Kr. Blees	WM	250 Thurs. Sat.	Furstenberg 286 Mon-Wed
V C 3	Police dog service, Dissemination of Information, Kripo Individual f. 6s	Kr. Blees	WM	250 Thurs. Sat.	Furstenberg 286 Mon-Wed.

L-219

GROUP V D

Criminalogical Institute of SIPO

Group Director:
SS Standartenfuehrer Regierungs-und-
Kriminaldirektor Dr. Ing. habil HEESS
Tel. Schwerin 40 06

Deputy:
SS. Sturmbannfuehrer Regierungs-und-
Kriminalrat Dr. Ing. SCHADE
Tel. WM, Ext. 275, Post 275

Section	Function	Head	Telephone		Post
			Central	Ext.	
V D 1	*a.* Identification of clues *b.* Identification of persons	SS-Stubaf. RuKR.Dr. Schade SS-H'Stuf. KR Drescher			Schwerin 40 06
V D 2	Chemical and Riolobical Investigations.	SS. H'Stuf. Dr. Ing. Widmann	WM	276	276
V D 3	Investigation of Documents	RuKR Dr. Wittlich		Schwerin 40 60	
V D 4	Technical Laboratories	KR.a.D. Richter	WM	253	

Criminal Biology Institute of the SIPO

Director:
Oberfartz Direktor Dr. RITTER
Tel. WM, Ext. 392
Post 392

Deputy:
SS-Obersturmfuehrer Dr. KIRCHERT
Tel. PA 9, Ext. 278
Post 278

Central Institute of the SIPO
for Criminal Medicine
(In process of organization)

AMT VI

Foreign Intelligence Service

Amt Chief:
SS. Oberfuhrer Oberregierungsrat
SCHELLENBERG
Tel. Bo, Ext. 251
Post 251

Administrative Office VI

Director:
SS Haupsturmfuehrer Polizeioberinspektor
METZ
Tel: Be, Ext. 227
Post 227
Internal Activity
Distribution of Work-Filing Plan-Statistics.
Needs and Distribution of Space.
Business requirements.
Secret Registry
Chancery-Secret Chancery, Library.
Official Activity of Office Employees.

GROUP VI A

Organization of the Foreign Intelligence Serving with 5 Divisions.

Group Director:
33. Sturmbannfuehrer Regierungsrat
Herbert MULLER
Tel: Be Ext. 230
Post 230

GROUP VI B

Western Europe with 4 sections.

Group Director:
SS. Obersturmfuehrer STEIMLE
Tel: Be Ext. 300
Post 300

GROUP VI C

Russian-Japanese Sphere of Influence
With 13 sections

Group Director:
SS Obersturmbannfuehrer Oberregierungsrat
Dr. GRAFE
Tel. Be Ext. 271
Post 271
with the Special Division VI C A

Head:
SS Sturmbannfuehrer KURREK

GROUP VI D

Anglo-American Sphere of Influence
with 3 sections.

Group Director:
SS. Sturmbannfuehrer Regierungsrat
Dr. RAEFFGEN
Tel: Be Ext. 310
Post 310

GROUP VI E

Central Europe
with 6 sections

Group Director:
SS Sturmbannfuehrer Oberregierungsrat Dr.
HAMMER
Tel: Be Ext. 283
Post 283

GROUP VI F

Technical Auxiliary Means for the Foreign Intelligence Service Abroad
with 6 sections

Group Director:
SS Sturmbannfuehrer DORNER
Tel: Be Ext. 329
Post 205

GROUP VI G

Investigation Service for Economic Methods

Group Director:
SS Hauptsturmfuehrer Dr. KRALLERT
(acting)
Tel: 25 96 91

GROUP VI S

with 3 sections

Group Director:
SS Sturmbannfuehrer SKORZENY
Tel: Be int. 396
Post 396

SECTION VI W.

Independent Section
Economic Activities in the Foreign Intelligence Service

Head:
SS Hauptsturmfuehrer Regierungsrat ZEIDLER
Tel: B Ext. 290
Post 290

SECTION VI KULT

Independent Section
Cultural Activities in the Foreign Intelligence Service

Head:
SS Sturmbannfuehrer Regierungsrat MOLLER
Tel: Be Ext. 270
Post 270

AMT VII

Ideological-Investigation and Evaluation

Amt Chief VII:
SS Obersturmbannfuehrer Dr. DITTEL
(acting)
Tel: Ei Ext. 6
Post 6

Administrative Office VII

Director:

SS Untersturmfuehrer BRUDERLE
Tel. Ei. Ext. 5
Post 5
Personal matters of Amt VII
Internal Activities
Plan of Distribution of Work-Filing Plan-Statistics
Needs and Distribution of Space
Business Requirements
Registry
Official Activities of Office Employees
Book Press and Bookbindery. "Labor" [?]

Special Section for Questions of Scientific Organization and Publications

Head:

SS Hauptsturmfuehrer STEIN
Tel. Ki Ext. 06
Post 06

GROUP VII A

Procurement of Material
(Library, Press and Information Office)

Group Director:
At present unfilled

Deputy:
SS Sturmbannfuehrer BURMESTER
Tel. Ei Ext. 001
Post 001

Section	Function	Head	Telephone Central	Telephone Ext.	Post
VII A 1 ...	Library	SS-Stubaf. Burmester	Ei	001	001
VII A 2 ...	Delivery of reports translation service Examination and Utilization of Press Material (Press Archives)	Auxiliary Head: SS-H' Stuf. Focke	Ei	08	08
VII A 3	Information Office	SS-Stubaf. Braune	Ei	06	06

L-219

GROUP VII B

Evaluation

Group Director:
At present unfilled

Deputy:
SS Sturmbannfuehrer EHLERS
Tel. E. Ext. 04
Post 04

Section	Function	Head	Telephone		Post
			Central	Ext.	
VII B1	Freemasonry	SS Stubaf. Ehlers			
VII B2	Judaism	SS H'Stuf. Ballensiefen			
VII B3	Political Churches ..	At present unfilled	Reached through office at Schliersee KR.		
VII B4	Marxism	SS H'Stuf Dr. M. Hmke			
VII B5	Liberalism	SS Stubaf. Dr. Havil Schick			
VII B6	Other opposing groups .... (Emigration - Separatism - Pacifism - Reaction, etc.)	SS Stubaf. Muller			

GROUP VII C

Archives, Museums, and Special Scientific Missions

Group Director:
SS-Obersturmbannfuehrer Dr. DITTEL
Tel. Ei Ext. 06
Post 06

Deputy:
SS-Sturmbannfuehrer RICHTER
Tel. Ei Ext.
Post 26 03 31

Section	Function	Head	Telephone Central	Telephone Ext.	Post
VII C 1 ...	Archives	At present attended to by Group Dir.			
VII C 2 ...	Museums and Exhibitions	SS Stubaf. Richter	Ei	03	03
VII C 3 ...	Special Scientific Missions	SS Stubaf. Dr. Levin			

Fuehrer's Headquarters, 16.7.1941
Bo/Fu

TOP SECRET

[Pencil note] 17.VII 41

Memorandum for the record

By order of the Fuehrer: he held today at 15 hours in his quarters a conference attended by Reichsleiter Rosenberg, Reich Minister Lammers, Field Marshal Keitel, the Reich Marshal and myself. The conference began at 15 hours and, including a break for coffee, lasted until about 20 hours.

By way of introduction the Fuehrer pointed out, he desired first of all to make some fundamental statements. Several measures had to be taken without delay; this was confirmed, among other events, by an assertion made in an impudent Vichy newspaper that the war against the Soviet Union was a war waged by Europe, and that, therefore, it had to be conducted for the benefit of Europe as a whole. Obviously the Vichy paper meant to say by these hints that it ought not to be the Germans alone who benefited from this war, but that all European states ought to profit by it.

Now it was essential that we did not publicize our aims before the world; also there was no need for that, but the main thing was that we ourselves knew what we wanted. By no means should we render our task more difficult by making superfluous declarations. Such declarations were superfluous because we could do everything wherever we had the power, and what was beyond our power we would not be able to do anyway.

What we told the world about the motives for our measures ought to be conditioned, therefore, by tactical reasons. We ought to act here in exactly the same way as we did in the cases of Norway, Denmark, Holland, and Belgium. In these cases too we did not publish our aims, and it was only sensible to continue in the same way.

Therefore we shall emphasize again that we were forced to occupy, administer, and secure a certain area; it was in the interest of the inhabitants that we provided order, food, traffic, etc., hence our measures. Nobody shall be able to recognize that it initiates a final settlement. This need not prevent our taking all necessary measures—shooting, resettling, etc.—and we shall take them.

But we do not want to make any people into enemies prematurely and unnecessarily. Therefore we shall act as though we wanted to exercise a mandate only. At the same time *we* must know clearly that we shall never leave those countries.

Our conduct therefore ought to be:

1. To do nothing which might obstruct the final settlement, but to prepare for it only in secret;
2. To emphasize that we are liberators.

In particular:

The Crimea has to be evacuated by all foreigners and to be settled by Germans only.

In the same way the former Austrian part of Galicia will become Reich territory.

Our present relations with Roumania are good, but nobody knows what they will be at any future time. This we have to consider and we have to draw our frontiers accordingly. One ought not to be dependent on the good will of other people; we have to plan our relations with Roumania in accordance with this principle.

On principle we have now to face the task of cutting up the giant cake according to our needs, in order to be able:

first, to dominate it,
second, to administer it, and
third, to exploit it.

The Russians have now ordered partisan warfare behind our front. This partisan war again has some advantage for us; it enables us to eradicate everyone who opposes us.

Principles:

Never again must it be possible to create a military power west of the Urals, even if we have to wage war for a hundred years in order to attain this goal. Every successor of the Fuehrer should know: security for the Reich exists only if there are no foreign military forces west of the Urals; it is Germany who undertakes the protection of this area against all possible dangers. Our iron principle is and has to remain:

We must never permit anybody but the Germans to carry arms!

This is especially important; even when it seems easier at first to enlist the armed support of foreign subjugated nations, it is wrong to do so. In the end this will prove to be to our disadvantage unconditionally and unavoidably. Only the German may carry arms, not the Slav, not the Czech, not the Cossack nor the Ukrainian!

On no account should we apply a wavering policy such as was done in Alsace before 1918. What distinguishes the Englishman is that he pursues constantly *one* line and *one* aim. In this respect surely we have to learn from the Englishman. Therefore we ought never to base our actions on single contemporary personalities: here again the conduct of the British in India towards the Indian princes etc. ought to be an example: it is always the soldier who has to consolidate the regime.

We have to create a Garden of Eden in the newly occupied eastern territories; they are vitally important to us; as compared with them colonies play only an entirely subordinate part.

Even if we divide up certain areas at once, we shall always proceed in the role of protectors of the Right and of the people. The terms which are necessary at this time should be selected in accordance with this principle: we shall not speak of new Reich territory only, but of the task which became necessary because of the war.

In particular:

In the Baltic territory the country up to the Duna now will have to be administered in agreement with Field Marshal Keitel. Reichsleiter Rosenberg emphasizes that in his opinion a different treatment of the population is desirable in every district [Kommissariat]. In the Ukraine we should start with a cultural administration, there we ought to awake the historical consciousness of the Ukrainians, establish a university at Kiev, and the like.

The Reich Marshal makes the counterstatement that we had to think first of securing our food situation, everything else could come later.

(Incidental question: Is there still anything like an educated class in the Ukraine, or are upper class Ukrainians rather to be found only as emigrants outside present day Russia?)

Rosenberg continues, there were certain independent movements in the Ukraine which deserved furtherance.

The Reich Marshal asks the Fuehrer to indicate what areas had been promised to other states.

The Fuehrer replies, Antonescu desired Bessarabia and Odessa with a strip (of land) leading west-northwest from Odessa.

Upon objections made by the Reich Marshal and Rosenberg, the Fuehrer replies that the new frontiers desired by Antonescu contained little outside the old Roumanian frontiers.

The Fuehrer states furthermore that nothing definite had been promised to the Hungarians, Turks and Slovaks.

Then the Fuehrer submits for consideration whether the former Austrian part of Galicia ought to be added at once to the government; upon objections having been voiced the Fuehrer decides that this part shall not be added to the government but should only be subordinated likewise to Reichminister Frank (Lwow).

The Reich Marshal thinks it was right to incorporate into East Prussia several parts of the Baltic country, e.g. the Forest of Bialystok.

The Fuehrer emphasizes that the entire Baltic country will have to be incorporated into Germany.

At the same time the Crimea, including a considerable hinterland (situated north of the Crimea) should become Reich territory; the hinterland should be as large as possible.

Rosenberg objects to this because of the Ukrainians living there.

(Incidental question: It occurred to me several times that Rosenberg has a soft spot for the Ukrainians; thus he desires to aggrandize the former Ukraine to a considerable extent.)

The Fuehrer emphasizes furthermore that the Volga Colony too will have to become Reich territory, also the district around Baku; the latter will have to become a German concession (Military colony).

The Finns wanted East Carelia, but the Kola Peninsula will be taken by Germany because of the large nickel mines there.

The annexation of Finland as a federated state should be prepared with caution. The area around Leningrad is wanted by the Finns; the Fuehrer will raze Leningrad to the ground and then hand it over to the Finns.

There ensues a rather long discussion as to the qualifications of Gau Leader [Gauleiter] Lohse, who has been proposed by Rosenberg as Governor of the Baltic country. Rosenberg reiterates that having approached Lohse already he would be in a difficult situation in case Lohse were not appointed; for the western part of the Baltic country Kube was to be appointed, but subordinated to Lohse; for the Ukraine Rosenberg proposes Sauckel.

The Reich Marshal, however, emphasized the most important points of view on which we ought to base these appointments:

Securing of food supplies, and as far as necessary, of trade; securing of communications, etc.

The Reich Marshal emphasizes, either Koch should be appointed for the Baltic country because he knew this country very well, or Koch should receive the Ukraine because Koch was the person with the greatest initiative and with the best education.

The Fuehrer asked whether Kube could not be appointed as commissioner for the district of Moscow; Rosenberg and the Reich Marshal both think that Kube was too old for this position.

Upon further representations Rosenberg replied he was afraid that Koch might soon refuse to obey his (Rosenberg's) instructions; by the way, Koch had predicted such conduct on his part.

The Reich Marshal replied it was indeed not desirable that Rosenberg guide every step of the appointees, rather these people had the duty of working quite independently.

For the Caucasus area Rosenberg proposed his Chief of Staff Schickedanz; he reiterated that Schickedanz certainly would fulfil his task very well, a statement which is doubted by the Reich Marshal.

Rosenberg then stated Lutze had proposed to him to appoint several SA Leaders, namely Scheppmann for Kiev,—Manthey—Dr. Bennecke—Litzmann for Estonia, and Burgomaster Dr. Drexler for Latvia. The Fuehrer has no objections to the use of SA Leaders.

Rosenberg then states he had received a letter from Ribbentrop who desired the participation of the Foreign Office; but he (Rosenberg) asked the Fuehrer to determine that the internal formation of the newly acquired areas was no concern of the Foreign Office. The Fuehrer agrees with this conception. Until further notice it will be sufficient for the Foreign Office to appoint a liaison officer to Reichsleiter Rosenberg.

The Fuehrer emphasizes that the Ukraine would undoubtedly be the most important district for the next three years. Therefore it would be best to appoint Koch there; if Sauckel were to be used, then it would be better to appoint him for the Baltic country.

Rosenberg continues, he intended to appoint Schmeer, Selzner and Manderbach as Commissioners for the Moscow area. The Fuehrer desires that Holz be used too, and that the former Gauleiter Frauenfeld should be placed in charge of administering the Crimea.

Rosenberg states he intended to use also Captain von Petersdorff, owing to his special merits; general consternation, general rejection. The Fuehrer and the Reich Marshal both emphasize there was no doubt that von Petersdorff was insane.

Rosenberg states furthermore that the appointment of the Burgomaster of Stuttgart, Stroelin has been proposed to him. There were no objections.

Since Kube is considered too old for the Moscow district by both the Reich Marshal and Rosenberg, Kasche is to take over this district.

(Memo for Party Comrade Klopfer:
Please ask Dr. Meyer *at once* for the files concerning the plans for the future organization and the intended appointments.)

The Reich Marshal emphasizes he intended to appoint Gauleiter Terboven for the exploitation of the Kola Peninsula; the Fuehrer agrees.

The Fuehrer emphasizes that Lohse, provided he thinks himself equal to this task, should take over the Baltic country Kasche Moskow, Koch the Ukraine, Frauenfeld the Crimea, Terboven Kola, and Schickedanz the Caucasus.

Reichsleiter Rosenberg then broached the question of securing the administration of the Eastern areas.

The Fuehrer tells the Reich Marshal and the Field Marshal he had always urged that Police Regiments should be provided with armored cars; this has proved to be quite necessary for police operations within the newly occupied eastern territories, because a Police Regiment equipped with the appropriate number of armored cars of course could perform many services. Otherwise though, the Fuehrer pointed out the protection was very slight. However, the Reich Marshal was going to transfer all his training fields to the new territories, and if necessary even Junkers 52 could throw bombs in case of riots. Naturally this giant area would have to be pacified as quickly as possible; the best solution was to shoot anybody who looked sideways.

Field Marshal Keitel emphasizes the inhabitants themselves ought to be made responsible for their things because it was of course impossible to put a sentry in front of every shed or railway station. The inhabitants had to understand that anybody who did not perform their duties properly would be shot, and that they would be held responsible for each offense.

Upon a question of Reichsleiter Rosenberg the Fuehrer replied newspapers also - e.g. for the Ukraine would have to be reestablished, in order to obtain means of influencing the inhabitants.

After the interval the Fuehrer emphasized we had to understand that the Europe of today was nothing but a geographical term; in reality Asia extended up to our previous frontiers.

Reichsleiter Rosenberg then described the organizational arrangement he intended to establish; he did not intend to appoint a Permanent Deputy of the Reich Commissioner ahead of time, but always the most efficient of the General Commissioners would be called upon to deputize for the Reich Commissioner.

Rosenberg will set up four departments in the office of the Reich Commissioner: first for the general administration,

second for politics,
third for economics,
fourth for engineering and architecture.

(Incidental remark: The Fuehrer emphasizes that activities on the part of the churches are out of the question. Papen had sent him through the Foreign Office a long memorandum in which it was asserted now was the right moment to reintroduce the churches; but this was *completely* out of the question.)

The Reich Marshal will detail to the Rosenberg Office Assistant Secretaries [Ministerialdirektoren] Schlotterer and Riecke.

Reichsleiter Rosenberg applies for appropriate premises to house his administration; he applies for the premises of the Commercial Mission of the Soviet Union in Lietzenberger Street; the Foreign Office, though, were of the opinion that these premises were extraterritorial. The Fuehrer replies that this was nonsense; Reich Minister Lammers was charged to inform the Foreign Office they were to hand over these premises to Rosenberg at once and without any negotiations.

Rosenberg then proposes to detail a liaison officer to the Fuehrer; his adjutant Koeppen was to be appointed; the Fuehrer agrees and adds that Koeppen would become the opposite number to Hewel.

A longer discussion takes place concerning the jurisdiction of

Reich SS Fuehrer; obviously at the same time the participants have in mind the jurisdiction of the Reich Marshal.

The Fuehrer, the Reich Marshal and others reiterate that Himmler was to have no greater jurisdiction than he had in Germany proper; but this (much) was absolutely necessary.

The Fuehrer repeats emphatically this quarrel would soon subside in practice; he recalls the excellent collaboration between Army and Air Force at the front.

In conclusion it is decided to call the Baltic country "Ostland".

COPY OF DOCUMENT L-231

TELEGRAM RECEIVED

FROM: GRA
Vienna
Dated March 13, 1938
Rec'd 11:15 a.m.

Secretary of State,
Washington.
75, March 13, 1 p.m.

Seyss-Inquart welcoming Hitler last night at Linz declared Article 88 St. Germane Treaty inoperative. Hitler highly emotional, expressed joy at having fulfilled his mission to "give back his dear homeland to the German Reich". He did not know on what date Austrians would be called but he hopes it was not a distant one. This event would prove to the world that any further attempt to dismember this people would be futile.

Associated Press and United Press telegraphed full text of Hitler's speech, summary Seyss-Inquart's.

WILEY

No. 344. AMERICAN CONSULATE GENERAL
VIENNA, July 26, 1938.

SUBJECT: ANNIVERSARY OF ASSASSINATION OF CHANCELLOR DOLLFUSS.

STRICTLY CONFIDENTIAL.

THE HONORABLE
THE SECRETARY OF STATE.
WASHINGTON.

SIR:

I have the honor to report that on the 24th and 25th of July there was celebrated throughout the "Ostmark" the anniversary of the murder of Chancellor Dollfuss, now described "as that day four years ago when passionate and self-sacrificing National Socialists made the attempt to lead the Austrian provinces back to the German homeland in accordance with the will of their inhabitants" (Neues Wiener Abendblatt, July 25, 1938).

The two high points of the celebration were the memorial assembly on the 24th at Klagenfurt, capital of the province of Carinthia, where in 1934 the Vienna Nazi revolt found its widest response, and the march on the 25th to the former Federal Chancellery in Vienna by the surviving members of the S.S. Standarte 89, which made the attack on the Chancellery in 1934—a reconstitution of the crime, so to say.

The assembled thousands at Klagenfurt were addressed by the Fuehrer's deputy, Rudolf Hess, in the presence of the families of the 13 National Socialists who were hanged for their part in the July putsch. The Klagenfurt memorial celebration was also made the occasion for the solemn swearing in of the seven recently appointed Gauleiters of the Ostmark.

From the point of view of the outside world, the speech of Reichs Minister Hess was chiefly remarkable for the fact that after devoting the first half of his speech to the expected praise of the sacrifices of the men, women and youths of Austria in the struggle for a greater Germany, he then launched into a defense of the occupation of Austria and an attack on the "lying foreign press" and on those who spread the idea of a new war. The world was fortunate, declared Hess, that Germany's leader was a man who would not allow himself to be provoked. "The Fuehrer does what is necessary for his people in sovereign calm * * * and labors for the peace of Europe" even though provocators, "completely ignoring the deliberate threat to peace of certain small states", deceitfully claim that he is a menace to the peace of Europe.

The march on the former Federal Chancellery, now the Reichsstatthalteri, followed the exact route and time schedule of the original attack. The marchers were met at the Chancellery by Reichsstatthalter Seyss-Inquart, who addressed them and unveiled a memorial tablet. From the Reichsstatthalterei the Standarte marched to the old RAVAG broadcasting center from which false news of the resignation of Dollfuss had been broadcast, and there unveiled a second memorial tablet. Steinhausl, the present Police President of Vienna, is a member of S.S. Standarte 89.

The apartment of Count Pierre de Leusse, Secretary of the former French Legation, who is temporarily assigned to Vienna as Consul, was on the line of March. Before he left for his office, he was informed by the porter that the police had ordered that Swastika flags be displayed from his windows. He refused. After his departure, a detachment of S.A. men entered and over the protest of his servant draped each window with large flags. When Count de Leusse returned to his apartment he found the S.A. men still before the house. He protested to the officer in charge, who adopted a very rude tone. The protest was unavailing. Count de Leusse then protested to the adjutant of Commissar Buerckel. The flags were finally removed, with an expression of regret.

Following the murder of Dollfuss, the Fuehrer addressed a message of condolence to the widow, and Mussolini appointed himself the protector of her children. I understand that Frau Dollfuss is now in Switzerland, that her appeals to Mussolini have gone unanswered and that she has not been permitted to enter Italian territory. According to a colleague who smuggled her out of Austria, her funds will shortly be completely exhausted.

Respectfully yours,

(signed) John C. Wiley
American Consul General.

JHM/JCW/lmp.
File No. 841.5

TELEGRAM RECEIVED

From PLAIN File DIVISION OF EUROPEAN AFFAIRS

Vienna MAR 12 1938
Undated DEPARTMENT OF STATE
Rec'd March 11, 1938
5.47 p.m.

REB
GPO
Secretary of State,
Washington
64

Schuschnigg made radio announcement at 7:45 in substance as follows:

I have to give my Austrian fellow countrymen the details of an eventful day and a grave situation. I declare before the whole world that the German Government today handed to President Miklas an ultimatum with a time limit attached ordering him to nominate as Chancellor a person designated by the German Government who would appoint a government satisfactory to them otherwise German troops would invade Austria. I have to declare before the world that news launched in Germany concerning disorders created by the workers, the shedding of blood of a situation which had got out of the control of the government are lies from A to Z. The President asks me to tell the people of Austria that we have yielded to force since we were not prepared even in this terrible situation to shed blood. We decided to order the troops to offer no serious (The Chancellor corrected himself and said to offer no resistance). The Inspector General of the Army, General Shildarsky, has been placed in command of the troops. He will issue further orders to them. So I take leave of the Austrian people with a German word of farewell uttered from the depth of my heart. God protect Austria.

WILEY

EMB
RGC

TELEGRAM RECEIVED

REB

From: BERLIN
Dated March 11, 1938
Rec'd 3:40 p. m.

Secretary of State,
Washington.
109, March 11, 5 p.m. (GRAY)
Embassy's 105, March 10, 7 p.m.

This morning's press publishes reports and warning comments with respect to the Austrian situation.

Pointing out that the Austrian Cabinet was not consulted with respect to the ballots the Volkischer Beobachter observes (one) that the vote is to be carried out under the supervision of the Fatherland Front which so soon after the Berchtesgaden agreement includes hardly any National Socialists, (two) as no identification is necessary there is no guarantee against repetitious voting as repeaters, (three) that the provision of only affirmative ballots and the fact that the voters will probably be forced to return their ballots openly deprives the procedure of the "secret character 'distinguishes' elections in every civilized country". The Volkischer Beobachter terms the election a "tragic comedy" and a "most impudent parody of democracy".

The same paper reports large demonstrations by National Socialists in Vienna calling for "one people, one Reich". It also reproduces a Reuter despatch to the effect that Dr. Jury described as Seyss-Inquart's representative has demanded his followers to abstain from voting.

A development that must be considered as ominous in view of Hitler's stated mission to combat the Comintern is the fact that the Deutsches Nachrichten Buro reports communist manifestations in favor of Schuschnigg attended by cries of Heil Schuschnigg Heil Moscow and the display of the hammer and sickle. (End gray)

Berlin at the present moment is full of rumors which however cannot be confirmed. The only authoritative information as yet at hand is the following telegram just received from the Consul General at Munich. "Troop movements and mobilization of reservists and automobiles going on all night. Active troops apparently moving toward Austria".

WILSON

CSB

COPY OF DOCUMENT L-292

TELEGRAM RECEIVED

From: GRAY
Vienna, Dated March 12, 1938
Rec'd 9.45 a. m.

Secretary of State,
Washington,
70, March 12, noon.

Numerous German bombers flying over Vienna dropping leaflets "National Socialist Germany greets its possession National Socialist Austria and its new government in true indivisible union".

Continual rumors small German troop movements into Austria and impending arrival Austrian legion.

S.S. and S.A. in undisputed control in Vienna.

Police wear swastika arm bands. Schuschnigg and Schmidt rumored arrested.

Himmler and Hess here

WILEY

PEG HPD

COPY OF DOCUMENT L-293

TELEGRAM RECEIVED

EG

From: GRAY
VIENNA, Dated March 12, 1938
Rec'd 8:52 a.m.

Secretary of State,
Washington.
RUSH
68, March 12, 10 a.m.

The following was given out last night by radio in the name of Miklas:

"Under the pressure of the foreign political relationships and the threat of the military occupation of the country by the German Reich the Federal President has entrusted Federal Minister Seyss-Inquart with the direction of the affairs of the government in accordance with the demand of the German Reich".

WILEY

KLP

PARTIAL TRANSLATION OF DOCUMENT L-297

1936 REICHS MINISTERIALBLATT PAGE 1343

Commissioning of the Secret State Police Bureau with the Supervision of the Duties of the Political Police Commander of the Provinces.

Circular of the Prussian Ministry of the Interior for 20.9.1936—Police Security Administration.

I commission the Secret State Police Bureau with the supervision of the duties of the Political Police-Commander of the Provinces.

To the Secret State Police Bureau, Berlin, all State Police head-offices and offices in the Reich. Notification to the Prussian Minister-President, the Provincial governments outside Prussia, the central office of the Uniformed Police, the Criminal Police office for the Province of Prussia in Berlin, the Prussian Ober- and Regierungs-Praesident.

PARTIAL TRANSLATION OF DOCUMENT L-301

THE ARCHIVE [Das Archiv], BERLIN, APRIL, 1934, PAGE 31

New Ruling on Protective Custody

The Reich Minister of the Interior made known to the Provincial government by a decree of 12 April specific provisions on the proclamation and execution of protective custody throughout the Reich. The new decree is founded on the consideration that the stabilizing of the national situation makes it feasible to place restricting provisions on protective custody for the entire Reich; it makes broad use of the corresponding regulations issued, shortly before, in Prussia.

Like the Prussian model, the Reich decree limits competencies for the proclamation of protective custody, and also its length, which must not exceed eight days, unless the order for protective custody is issued by the supreme Provincial authority or is expressly confirmed by it. The order for protective custody, to be issued in writing, must contain the grounds for the protective custody, and be forthwith tendered to the person in retention. On these grounds the person must be heard. Protective custody is now permissible only for the special protection of the person in custody himself, or if the latter by his conduct, in particular by subversive activity, immediately endangers public security and order.

THE LAW OF PROTECTIVE CUSTODY, Dr. Werner Spohr, Berlin: George Stilke, 1937, Pages 11–13.

First Section:

The Legal Basis for the Decreeing of Protective Custody.

The legal basis for protective custody has, since the initial occurrence that led to the introduction of this institution into German law—the Reichstag fire of 27 February 1933—experienced certain transformations. The essential characteristic of these transformations is that the application of custody has to an increasing extent been placed under strict stipulations. The legal grounds for custody are now based on an order of the Reich President for the year 1933 and on a decree of the Reich Minister of the Interior for the year 1934 to the Provincial governments and Reich governors.

1. The Order of the President of the Reich for 28 February 1933.

Custody is decreed on the basis of the unaltered, still valid order of the Reich President for the protection of people and State as of 28 February 1933 (*Reichsgesetzblatt,* p. 83; reproduced below, p. 59) Paragraph 1 of this order invalidates Articles 114, 115, 117, 118, 123, 124, and 153 of the Weimar Constitution until further notice. There are therefore since that time certain limitations on personal freedom, on the law for the free expression of opinion, including freedom of the press, of clubs and of assembly, infringements of letter, postal, telegraphic, and telephonic privacy, regulations on house-search and requisitioning as well as limitations on property permissible beyond the legal limits otherwise defined thereto.

With all other articles of basic law in the Weimar Constitution, which Article 48, paragraph 2, of the Reich Constitution placed at the disposal of the President of the Reich, Article 114 is also revoked. There it was appointed: "The freedom of the individual is inviolate. Any encroachment upon or deprivation of individual freedom by public force is permissible only on a legal basis. Persons deprived of their liberty are to be advised at the latest on the day following as to which authority and on what grounds the deprivation of liberty has been ordered; without delay opportunity shall be given them to introduce objections to their deprivation." The invalidation of the basic law concerning the integrity of individual freedom forms the legal basis for the proclamation of custody [Die Ausserkraftsetzung des Grundrechts der

Unverletzbarkeit der persoenlichen Freiheit Bildet die Rechtsgrundlage der Verhaengung von Schutzhaft]. At its appearance it was already fully constitutional and hence legally valid without any limitation, and is so more than ever in the present-day Fuehrer-State.

II. The Decree of the Reich Minister of the Interior for 12 April 1934 to the Provincial governments (for Prussia, to the Minister-President and the Minister of the Interior) and the Reich governors (1 33 11 A. 28/27), which was not officially made public, the essential contents of which however have been published in the daily press (see the Voelkischer Beobachter, No. 104, 14 April 1934), is still in force and forms the ground work in future for the proclamation of custody in detail. Formerly there were effective in Prussia: 1. Order concerning the supplement of the order for 1 October 1933 (*Preussische Gesetzsammlung*, p. 213) to the competency ruling for Province and *Kreis* police authorities of 2 March 1933 (Ibid., p. 33).

2. Order concerning the supplement of the order for 1 October 1931 and 2 March 1933 (Ibid., 1931, p. 213, and 1933, p. 33) to the competency ruling for Province and Kreis police authorities of 26 April 1933 (Ibid., p. 127); 3. decree of the Prussian Minister of the Interior of 3 March 1933 (Ministerialblatt fuer die preussische innere Verwaltung, V, p. 233). Shortly before the decree of the Reich Minister of the Interior, the Minister President of Prussian had issued a wholly new ruling on custody. This decree is superseded by the above-cited decree of the Reich Minister of the Interior for 12 April 1934.

It is viewed legally as an empowering-act to Paragraph 1 of the act for February 1933 and aims at a uniform administering of custody throughout the Reich, while avoiding wrong usage and arbitrary action. Its contents are worked up in expositions that follow. Textual reproduction is not possible.

III. Related Institutions.

Custody is in no way something wholly new—as is constantly asserted abroad by enemies of the new Germany—although during the course of the National Socialist revolution its make-up exhibits special characteristics. If one ignores the police law of arrest according to paragraphs 112 ff., Strafprozessordnung, and—to mention only Prussian law—Paragraphs 14 and 15 of the Police-administration law (formerly para. 10, Part 2, Title 17 Allgemeines Landrecht), it remains to confirm that even before the order of the Reich President there was already previously valid in Prussia a kind of political custody for subversive persons, and not indeed, as was most erroneously supposed, only after the proclamation of a state of emergency, but even without such power of statute law. Paragraph 6 of the law for the protection of individual liberty of 12 February 1850 declares: The authorities, officials, and watchmen named in paragraph 3 (these are the police authorities and other officials who by existing laws are empowered to investigate punishable offenses) "are authorized to take persons into police custody [Verwahrung] if the special protection of such persons or the maintenance of public morals, security, and peace urgently require such measures. Persons in police retention must however be set free at the latest during the following day, or in this period the necessary steps shall be taken to turn them over to the proper authorities." (Political) custody on the basis of this statement admits therefore to broad limitations. Custody on the basis of the order for 28 February 1933 is not confined to such limitations. It possesses throughout its own ruling.

TRANSLATION OF DOCUMENT L–305

STAPO OFFICE
for the district of Cologne

Rec'd [illegible marks]
28 Jul 37 1945 hours
[illegible marks] 29 July 37
F.S. Nr. 16190 Anl.II.4 2468/37/2

Telegram

DR Berlin NUE 119 603 28 Jul 37 1940 — DR —
To the STAPO Office Cologne—
Very urgent—

At the request of the Reich and Prussian Minister of the Interior I ask you to determine as fast as possible where the artist Quer Mohamed, born 1 Jul at Lemding-Mara (Morocco), residence Cologne-Ehrenfeld, Glasstrasse 59 c/o Schneider, is staying at present and what his next destination is. Secretary Moeltgen of the Criminal Police knows about Mohamed.
—Special commission III counter-intelligence.

(POJ.GRAUL)

Gestapo
Gestapo Office
Cologne
B.-Nr.-The Chief—

Cologne, 3 Mar 1938
Appellhof pl. 23/25
Telephone: 220651

SECRET.

Written.................
Compared: 3 Mar Di.
Ab: 1/4 Mar 38 Br.
Files:.................

DKzl.
To District Court—Sect. 19

Subject: Petition of Stefan Berens, Cologne, Fleischmengergasse 27, concerning sterilization of the ward Maria Simon.

Procedure: Letter there of 21 Feb 1938-19 S VII 1103—to the administration of the Protestant Hospital in Cologne-Suelz.

Conforming with higher directives, all descendants of occupational troops of foreign blood were sterilized in the summer of 1937. As a result of this measure the child Maria Simon, fathered by a colored occupation soldier, was also sterilized. Since no documents are available, it can not be stated with certainty if the guardian, Stefan Berens, was at that time informed about the sterilization. Furthermore, the sterilization did not depend on the permission of the guardian.

I ask to inform the guardian Stefan Berens in a suitable manner. I may point out that the matter is secret and may under no circumstances be discussed in public.

2 to the files "Rhineland Bastards" with the chief,

[illegible markings]

Protestant Hospital Cologne
Telephone 41344

Cologne-Lindenthal, 1 Mar 1938
Weyertal 76

To the Chief of the Stapo Office, Cologne

Submitted with request to take note of enclosed letter. Because of the special duty of secrecy in this matter I am not authorized to give information and ask for further direction and, if necessary to inform the district court.

Signed: Dr. [illegible]
Chief Doctor of the Maternal-Gynecological Sect.
of the Protestant Hospital
Prof. Dr. Seitz

Reich Security H.Q. Berlin, 5th November, 1942
II A 2 No. 567/42-176

EXPRESS LETTER.—SECRET.

To: (a) the Higher SS and Head of Police,
(b) Commanders and Inspectors of the Security Police and Security Service (SD),
(c) the Directors of the State Police (Control) Stations,
(d) Officers commanding the Security Police and Security Service (SD),
(e) Directors of the Criminal Investigation Police (Control) Stations,
(f) Directors of the Security Service (Control) Sections.

For information to the offices I, III, IV and V—five copies each—

Re: Jurisdiction over Poles and Eastern Nationals.

I. The Reichsfuehrer SS. has come to an arrangement with the Reich Minister of Justice Thierack whereby the justice waives the execution of the usual penal procedure against Poles and eastern nationals. Those persons of alien race are in future to be handed over to the police. Jews and gypsies are to be treated in the same way. This agreement has been approved by the Fuehrer.

A settlement is now being worked out for carrying out this agreement by the Reich Security H.Q. on the one hand, and the Reich Ministry of Justice on the other, which settlement is as far as possible to enter into force by 1 January 1943.

II. This agreement is based on following considerations: Poles and eastern nationals are alien and racially inferior people living in the German Reich territory. As a result, considerable risks arise of crises endangering German civil order which are bound to lead to nationals of an alien race being subjected to a penal jurisdiction other than that for the German people.

This need has hitherto not been fully realized. Only for Poles has a special regulation been made in the penal sense by the order concerning the administration of jurisdiction against Poles and Jews in the annexed eastern territories of 4 Dec. 1941 (R.G.Bl.—German Official Journal, I. p. 759). But this special regulation does not completely solve the problem either, which arises through Germans living together with people of an alien race. It merely creates more stringent penal regulations and a penal procedure more simplified in part, for Poles. It, however, evades the main issue, viz.: that persons of an alien race, for reasons of public interest, are to be treated in an entirely different way from German people, as, at bottom, despite all increased rigours, it applies the characteristic features of the administration of German penal law to Poles.

In adjudicating a punishable offence committed by a Pole, the same views, therefore, still obtain in principle as hold good in adjudicating a German, i.e., the judge takes the person of the offender as his starting-point and tries by a thorough valuation of the offender's personal motives to find an expiation for the deed in accordance with the interests of the people's community.

Such considerations which may be right for adjudicating a punishable offence committed by a German are, however, wrong for adjudicating a punishable offence committed by a person of alien race. In the case of punishable offences committed by a person af alien race the personal motives actuating the offender must be completely eliminated. The only standard may be that German civil order is endangered by his action, and that consequently preventive measures must be taken to prevent the recurrence of such risks. In other words, the action of a person of alien race is not to be viewed from the angle of judicial expiation, but from the angle of the police guard against danger.

As a result of this, the administration of penal law for persons of alien race must be transferred from the hands of the administrators of justice into the hands of the police.

III. Above expositions are for personal information. In case of need, however, there need be no hesitation in informing the gauleiter in suitable form.

By order:
(signed) Streckenbach
Certified
Kausch
Office clerk.

[Rubber Stamp:
The Reichsfuehrer SS.
and Chief of the German Police
at the Reich Home Office—
eagle and swastika]

WAR DIARY OF THE C-IN-C OF THE NAVY

"With a view to delaying the moment of discovery of surprise attack, and on account of intelligence on hand, that the Norwegian Armed Forces have orders *not* to oppose an *English* invasion by force of arms, the *British* war flag should be flown by all forces when putting into port until the start of disembarkation (when anchoring, making fast, or landing its first troops).

The Narvik group is an exception to this order. The commanding officer of the troops there, Colonel Sundlo, is pro-German, thus giving reason to expect no difficulties as far as he is concerned, if the *German* flag is flown when running into harbour".

Subject: "Weseruebung Nord".

Operation order for the occupation of Norway

The Fuehrer and Supreme Commander of the Armed Forces has issued orders to carry out all measures to occupy Norway with part forces of the three services, when the situation in Scandinavia demands it. (Weseruebung-North).

"Weseruebung"

10th October 1939. First reference of the C-in-C of the Navy (Naval War Staff), when visiting the Fuehrer, to the significance of Norway for sea and air warfare. The Fuehrer intends to give the matter consideration.

12th December 1939. Fuehrer received Q. and H.

Subsequent instructions to the Supreme Command of the Armed Forces to make mental preparations. The C-in-C of the Navy is having an essay prepared, which will be ready in January. With reference to this essay, Kapitaen zur see Krancke "Weseruebung".

During the time which followed, H maintained contact with the Chief of Staff of the C-in-C of the Navy. His aim was to develop the party Q with a view to making it capable of making a coup, and to give the supreme command of the navy information on political developments in Norway and military questions. In general he pressed for a speeding-up of preparations, but considered that it was first ncessary to expand the organization. The support which had been promised him in the form of money and coal was set in motion only very slowly and came in small quantities, and he repeatedly complained about this. It was not until the end of March that Q considered the coup [Aktion] so urgent that the expansion of his organization could not wait. The military advice of H as passed on to the OKW.

SYNOPSIS OF DOCUMENT L-358

This document is a voluminous register which was used by the Secret State Police [Gestapo] in Tomaszow-max Poland, to keep track of the proceedings by the Gestapo against persons seized during the period of 1 June 1943 to 20 December 1944.

In the register are entries for approximately 3,500 persons. Each entry includes personal data, the reasons for the arrest and the manner in which the case was handled.

Approximately 2,200 are revealed to have been arrested for alleged membership in resistance movements, Freischaerler (partisan) units and the like. Approximately 325 of these are entered as having been shot, only 35 of them after trial. About 950 were sent to concentration camps, almost half to Auschwitz. About 155 were sent to the Reich for forced labor.

The same treatment was accorded persons who were arrested on other grounds, for instance: Communists, Jews, hostages, persons seized in reprisal. A large number are entered as having been seized during raids, no further grounds being stated. Some are set forth as having been seized and sent to Auschwitz because of assistance to Jews, because of more or less serious crimes, or because they were antisocial or lazy.

NATIONAL SOCIALISM

Basic Principles, Their Application by the Nazi Party's
Foreign Organization, and the Use of
Germans abroad for Nazi Aims.
United States Government Printing Office
Washington, 1943, Page 449.

LEAGUE FOR GERMANDOM IN FOREIGN COUNTRIES

[Verein fuer das Deutschtum im Ausland]
BERLIN W 30, MARTIN LUTHER STREET 97

AGREEMENT

With the National Office of the Hitler Youth.

Between the Hitler Youth and the VDA, the following fundamental arrangement has been agreed upon:

(1) With a complete respect for the important racial-political task the Hitler Youth recommends to its members membership in collaboration with the VDA.

(2) The work of the VDA group continues in its previous forms. The VDA, however, discontinues its military and physical training.

(3) The school groups of the VDA (racial-German workcells) assist the Hitler Youth in their work.

(4) The VDA group chiefs work consequently in closest contact with the Hitler Youth leaders and participate with their groups in the events of the Hitler Youth, as conversely the Hitler Youth can also take part in the racial-German fetes of the VDA.

(5) As a visible sign of his solidarity with the Hitler Youth the VDA member wears a VDA armband with the Swastika.

(6) Solicitor Nabersberg of the NSDAP's National Youth Office becomes a member of the VDA's Council of Leaders. Dr. H. Schoeneich of the VDA becomes a member of the Council of Leaders in the Reich's Board of German Youth Societies. The same reciprocal representation is also to be established in the provincial boards.

Karlsruhe, May 6, 1933

For the VDA	For the Hitler Youth
Signed: Dr. H. Schoeneich	The Reich's Youth Leader
Per E. Klinghammer	Signed: Baldur von Schirach

WRD/G/Neustadt/IV/12

AMALGAMATION OF THE "ZENTRAL AMTER" of SIPO/SD into the RSHA September 1939

Der Reichfuehrer SS und
Chef der Deutschen Polizei Berlin, September 27, 1939.
S-V Nr. 719/39-151.

Subject: The Amalgamation of the "Zentral Amter" of the Sicherheitspolizei and of the SD.

1. The following sections:

Head Office of the Security Police [Hauptamt Sicherheitspolizei].
Head Security Office of the Reichsfuehrer SS [Sicherheitshauptamt der RFSS].
Secret State Police Office [Geheimes Staatpolizeiamt].
Reich Criminal Police Office [Reichskriminalpolizeiamt].

will be joined to the Reichssicherheitshauptamt in accordance with the following directions. This amalgamation carries with it no change in the position of the Amter in the party, nor in their local administration.

2. For internal matters, the following organization and designation will become effective from 1.10.1939:

a. The Office for Administration and Law of the Security Police [Amt Verwaltung und Recht des Hauptamtes Sicherheitspolizei] Amt I (I-1, I-2, and I-4) of the Security Main Office [Sicherheitshauptamt] Abteilung I of the "Geheimes Staatspolizeiamt", as well as Abteilung IV of the "Geheimes Staatspolizeiamt" (insofar as a plan for distribution of work will not determine the competence of another Amt), will make up Amt I of the Reich Security Main Office [Reichssicherheitshauptamt] the Chief of which is SS-Bridagefuehrer Ministerialdirigent Dr. Best.

b. The Central Section [Zentral Abteilung] II—I of the present Amt II and 1-3 of the Sicherheitshauptamt of the Reichsfuehrer SS make up, according to the changed form and competence, regulated by the Plan for Distribution of Work, Amt II of the "Reichssicherheitshauptamt", of which the Chief is SS Standartenfuehrer, Professor Dr. Six.

c. The "Zentralabteilung" II—2 of the present Amt II of the Sicherheitshauptamt of the Reichsfuehrer SS make up, according to the changed form and competence regulated by the Plan for Distribution of Work, Amt III of the "Reichssicherheitshauptamt", whose chief is SS Standartenfuehrer Ohlendorf.

d. The Political Police Amt of the "Hauptamt Sicherheitspolizei" and Abteilung II and III of the "Geheimes Staatpolizeiamt" make up Amt IV of the "Reichssicherheitshauptamt" whose chief is SS-Oberfuehrer Reichskriminaldirektor Muller.

e. The Criminal Police Amt of the "Hauptamt Sicherheitspolizei" and the "Reichskriminalpolizeiamt" make up Amt V of the Reichssicherheitshauptamt, of which SS Oberfuehrer Reichskriminaldirektor Nebe is chief.

f. Amt III of the "Sicherheitshauptamt of the Reichsfuehrer SS" make up, according to the changed form and competence regulated by the Plan for Distribution of Work, Mat VI of the "Reichssicherheitshauptamt" whose chief is SS Brigadefuehrer Jost.

3. The competence of the Amter of the Reichssicherheitshauptamt and their division into groups [Gruppen] and sections [referate] will be determined by the Plan for Distribution of Work [Geschaftsverteilungsplan].

4. The distribution of "Planstellen", payment of wages, management of buildings, and supplies [Haushattsbearbeitung] and the administration of the "Amter" mentioned in paragraph 1 will not fall under this order.

5. The Chief of the Security Police and SD will issue the necessary directives (plan of distribution of work, etc.).

Approved:
Pol. Insp. (signed) H. Himmler

The Chief of the Sicherheitspolizei
and the SD Berlin, September 27, 1939.
SV 1 Nr. 720/39—151

Subject: The amalgamation of the "Zentralen Amter" of the Sicherheitspolizei and of the SD.

In keeping with section 5 of the order of the Reichsfuehrer SS and Chef der Deutschen Polizei dated 27/9/39 concerning the amalgamation of the "Zentralen Amter" of the Sicherheitspolizei and of the SD, I decree that:

1. In the transactions of the Amter of the Reichsicherheitshauptamt among themselves and with the State Police (Head) Offices [Staatspolizei(leit)stellen], the Criminal Police (Head) Offices [Kriminalpolizei(leit)stellen] and the SD Head Sections

as well as in the internal relations of the Reich Ministry of the Interior, the designation and the heading "Reichsicherheitshauptamt" will be exclusively employed. The Amt chiefs will sign: "I.V." (in Vertetung, i.e. acting for).

2. In transactions with outside persons and offices:

(a) All Amter will employ the designation and heading: *The Chief of the Sicherheitspolizei and the SD."* provided however, it is not necessary according to particular instructions to employ the designation and heading: *"The Reichsfuehrer SS and Chief of the German Police"*, or *"The Reich Minister of the Interior"*. The Amt chiefs will sign "I.V."

(b) The Amter IV and V will employ the designation and heading: *Geheime Staatspolizeiamt" or "REICHSKRIMINALPOLIZEIAMT"* according to particular and exceptional instructions. The Amt chiefs will sign "I.V."

3. The Amter, Gruppen and Referate, insofar as reciprocal participation is not prohibited by a special ruling, are required to collaborate in all cases in which, after a careful examination by the Amt in charge of the affair, another Amt might be interested in view of some aspect or other of its tasks. Each case on which several Amter might have different interpretations, is to be submitted to me for decision, even if I have reserved to myself the conclusion.

4. Under the designation and heading:

a. Der Reich Minister of the Interior
b. The Reichfuehrer SS and Chief of the German Police
c. The Chief of the Sicherheitspolizei and the SD
d. Reichssicherheitshauptamt,

it will be necessary henceforth to place the designation of the Amt ahead of the filing symbols hitherto used according to paragraph 2 of the directive of the Reichsfuehrer SS and Chief of the German Police dated 27.9.1939 (I/II/, etc.)—for a and 6 after the signs Pol. S, that is, S (for example Pol. S I V 1—). Further directions for the use of filing symbols will follow the publication of the new plan for distribution of work.

(Signed) Heydrich

Approved:
Pol. Insp.

Der Chef der Sicherheitspolizei
und des Sicherheitshauptamtes

Berlin, September 23, 1939

SD-Order No. 50/39
Distribution V.

Subject: Organization of the SD asd the Sicherheitspolizei (without the protectorate, Bohmen and Mahren).

I. Organization.

a. In place of the designation "SD-Unterabschnitt" the designation "SD-Abschnitt" will be used.

The districts of the SD-Abschnitt correspond to the districts of the Staatspolizeistellen. (i.e. to the districts of the Staatspolizeistellen Berlin, Stuttgart and Karlsruhe). Exceptions will be decided specially by the Sicherheitshauptamt. The SD-Abschnitte will set up according to need and with the consent of the Sicherheitshauptamt, Aussenstellen which will be under the orders of the SD-Abschnitte. The offices of the SD-Abschnitte will be in the same place as the Staatspolizeistelle in charge of the district; They will be named according to the place, i.e., SD-Abschnitt Allenstein. Exceptions will be decided specially by the Sicherheitshauptamt.

b. The SD-Abschnitte located where there are Staatspolizeileitstellen will be called "SD-Leitabschnitte," The SD-Abschnitte located with the Staatspolizeileitstellen Berlin, Stuttgart, and Karlsruhe are also to be called "SD-Leitabschnitte".

c. The SD-Fuehrers of the SS-Oberabschnitte are to be called "Inspectors of the Sicherheitspolizei and of the SD". Their jurisdiction coincides with that of the higher SS and Polizeifuehrer [Wekrkriese]. Exceptions will be decided by Sicherheitshauptamt.

d. The new integration of the Sicherheitshauptamt will be decreed by special orders.

II. Tasks

a. SD-Abschnitte.—All the SD tasks hitherto under the supervision of the SD-Oberabschnitten and the SD-Unterabschnitten will be taken over by the SD-(Leit)stellen, insofar as they have not been taken over, through special decrees, by the Sicherheitshauptamt. The SD-(Leit)abschnitte will report directly to the Sicherheitshauptamt, and will receive instructions from it directly.

Matters important to their own sphere will be handled independently by the SD-Abschnitte; matters of general importance, matters of importance to the Reich are to be reported to the Sicherheitshauptamt. For reports sent to the "Inspectors of the Sicherheitspolizei and the SD" the instructions under II c 3 and 4 are valid. For the transmission of tasks among the Stapo-Kripo and the SD further directives will follow.

b. SD-Leitabschnitte.—The SD-Leitabschnitte will perform for their SD-Abschnitt districts the functions of an SD-Abschnitt. The powers of direction of the remaining SD-Abschnitte for their Leitabschnitt districts will be exercised according to the directions to be given later for SD-Leitabschnitte.

c. *Inspectors of the Sicherheitspolizei and SD.*

1. Their tasks, set forth in paragraphs 2-6 below, will be fulfilled, until a new set of instructions is issued, according to the circular of the Reich and Prussian Minister of the Interior dated 20/9/1936, Pol. S—V 1 Nr. 7/36 (RM Bliv. S1343)—supplementary instructions and to the special instructions for the inspectors of the Sicherheitspolizei in Vienna and Reichenberg, as well as to the Circular dated 27.6.1938-S-V 8 Nv 93/38 concerning "Mob-Aufgaben"

2. For the fulfillment of these tasks the inspectors are to undertake continual and exhaustive inspections of Dienstellen of the Sicherheitspolizei and SD, Staatspolizei(leit)stellen, Kripo, SD-(Leit)abschnitte, under their jurisdiction. This inspection activity is to take up at least half of their time. The results of these inspections are to be reported at once to my personal address.

3. The inspectors are to be informed of all important and fundamental decisions of the Sicherheitshauptamt and all important and fundamental matters of the Staatspolizei(leit)stellen, Kriminalpolizei(leit)stellen, and the SD-(Leit)abschnitte through the transmission of copies of reports. They are above all to be kept au courant of all events important for the fulfillment of the tasks assigned to them in their instructions. Within the frame of these tasks, the inspectors are empowered to demand reports from the above-named offices and to give general instructions.

4. All conflicts or difficulties with offices of the state, party, or armed forces are to be reported from time to time by the offices of the Sicherheitspolizei and the SD to the inspector and the Sicherheitshauptamt, whether they are settled locally or not.

5. The inspectors are not jurisdictional intermediaries between

the Staatspolizei(leit)stellen, Kriminalpolizei(leit)stellen, or SD-(Leit)abschnitten, on the one hand, and the Sicherheitshauptamt, the Geheime Staatspolizeiamt and the Reichkriminalpolizei on the other hand. They are both internally and externally the personal representatives of the Chief of the Sicherheitspolizei and the SD in their district, and therefore the personal leaders, directors, and counsellors of the members of the Sicherheitspolizei and the SD placed under them.

6. The deputizing for the inspectors in case of absence will be regulated in each case upon demand.

III. Assignment of posts

a. The *present* assignments on the staffs of the inspectors of the Sicherheitspolizei and of the SD, and in the SD-Abschnitte and Aussenstelle with an indication of posts to be filled in the hitherto existing Referate, Abteilungen and Hauptabteilungen are to be reported by 5.10.1939; in view of the order to Personnel of 23.9.39 the 30.9. is to be taken as the appointed date for this report.

b. In accordance with the order C.d.S. 7350/39/SD I 11, 5.7.1939, proposal for the future assignments to the staffs of the inspectors of the Sicherheitspolizei and the SD, the SD-Abschnitte and Aussenstellen, according to the hitherto-existing organizational scheme of the Referate, Abtellungen and Hauptabteilungen, is to be submitted to the SD-Hauptamt by 15.10.1939.

c. Positions to be filled by collaborators who are at present in the Wehrmacht in Einsatzkommandos, etc, in the staff of the inspector. Collaborators returning from the Einsatzkommandos, the Wehrmacht, etc, are to report immediately to the SD-(Leit)-abschnitten or Aussenstellen for assignment. The slots occupied by the people concerned are to be turned over to the corresponding SD-Leitabschnitte for filling.

[signed] Heydrich

Approved by:
Signed Rauff
SS Sturmbannfuehrer

Report in the "Fraenkische Tageszeitung" dated 24th June 1935 on Streicher's speech to the Hitler Youth on the "Holy Mountain" near Nurnberg on the 22nd June 1935

Julius Streicher's speech to Youth:

"* * * Boys and girls, look back to a little more than 10 years ago. A great war—the World War—had whirled over the peoples of the earth and had left in the end a heap of ruins. Only one people remained victorious in this dreadful war, a people of whom Christ said its father is the devil. That people had ruined the German nation in body and soul. Then Adolf Hitler, unknown to anybody, arose from among the people and became the voice which called to a holy war and battle. He cried to the people, for everybody to take courage again and to rise and give a helping hand to take the devil from the German people, so that the human race might be free again from these people that have wandered about the world for centuries and millenia, marked with the sign of Cain.

Boys and girls, even if they say that the Jews were once the chosen people, do not believe it, but believe us when we say that the Jews are not a chosen people. Because it cannot be that a chosen people should act among the peoples as the Jews do today.

A chosen people do not go into the world to make others work for them, to suck blood. They do not go among the peoples to chase the peasants from their homesteads. They do not go among the peoples to make your fathers poor and to drive them to despair. A chosen people do not rape women and girls. A chosen people do not slay and torture animals to death. A chosen people do not live by the sweat of others. A chosen people join the ranks of those who live because they work. *Don't you ever forget that.*

Boys and girls, for you we went into prison. For you we always suffered. For you we had to accept mockery and insult and became fighters against the Jewish people, against that organized body of world criminals, against whom already Christ fought the greatest anti-semite of all times * * *

* * * Look, today the Jews are trying again to drive the na-

tions into war against us, which is supposed to bring the German nation to a definite end.

But we swear we will do all in our power to enlighten all Germans and humanity, that if ever war should come once more it can only be a crusade against the arch-enemy in all nations, the eternal Jew.

A world-wide court must be set up, a court that will judge these who are to blame for so much. We offer our hand to every people. We do not want to create hatred against other peoples. We offer our hand to every people. But you, boys and girls, shout it to the world:

Here stands German youth. We hate that people of whom Christ once said, "It is of the devil."

★U. S. GOVERNMENT PRINTING OFFICE: 1946—693260